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INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Tenth session
Geneva, 22 August - 2 September 1994

REPORT OF THE INTERGOVERNMENTAL NEGOTIATING COMMITTEE FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE ON THE WORK OF ITS TENTH SESSION HELD AT GENEVA FROM 22 AUGUST TO 2 SEPTEMBER 1994

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I. OPENING OF THE SESSION

1. The tenth session of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change was held at Geneva from 22 August to 2 September 1994. The session was convened in accordance with the decisions in paragraphs 6 and 7 of General Assembly resolution 47/195 and the schedule recommended by the Committee at its eighth session (see A/AC.237/41, para. 119) and confirmed by the ninth session (A/AC.237/55, para. 130).

2. The Chairman of the Committee, Ambassador Raúl Estrada-Oyuela, opened the session at the 1st plenary meeting, on 22 August 1994. In welcoming participants he noted that the session was the first since the entry into force of the Convention on 21 March 1994. Much, therefore, had to be completed before the first session of the Conference of the Parties (COP 1) in March 1995. This included discussions related to the first review of information communicated by Annex I Parties, consideration of the adequacy of Articles 4, para. 2 (a) and 2 (b) of the Convention, as well as consideration of the maintenance of the interim arrangements referred to in Article 21, para. 3. He appealed to all participants to cooperate in completing the work of the Committee in an effective and timely manner.

3. The Executive Secretary welcomed all participants to the session. He introduced the documents prepared by the interim secretariat for the session and reviewed the main policy issues to be considered.

4. The Executive Director of the United Nations Environment Programme (UNEP), Ms. Elizabeth Dowdeswell, drew attention to a number of extreme weather events that had occurred over the past year which, although not necessarily indicative of climate change, were an example of the risks to be faced if the headlong accumulation of greenhouse gases in the atmosphere were not contained. She urged the Committee to make more rapid progress. She noted the contributions of UNEP to the work of the Intergovernmental Panel on Climate Change (IPCC) and to the development with the interim secretariat of the joint undertaking CC:INFO. She also described changes within UNEP in response to the outcomes of the United Nations Conference on Environment and Development (UNCED), stating that the richness and expertise within the programme was being harnessed and energized. She advanced the proposal that UNEP could host the permanent secretariat of the Convention, stressing the complementarity between the programme and activities of UNEP and the objectives of the Convention.

5. The Chairman of the Intergovernmental Panel on Climate Change (IPCC), Professor Bert Bolin, reported on the work of the Panel in preparing its Second Assessment Report and the Special Report being prepared for the first session of the Conference of the Parties to the Convention. Referring to the issue of the adequacy of commitments to meet the objective of the Convention, he stressed that the slow response of the climate system to interventions argued for action to be considered carefully now, despite scientific uncertainties. The role of the subsidiary bodies of the Convention was related to the future role and status of the IPCC. He looked

forward to close collaboration between the IPCC and the Conference of the Parties, noting that the matter would also be discussed at the plenary session of the IPCC in November.

6. The Chief Executive Officer and Chairman of the Global Environment Facility (GEF), Mr. Mohamed T. El-Ashry, outlined the steps taken by participants in the GEF and by the governing bodies of the three Implementing Agencies (World Bank, UNEP and the United Nations Development Programme (UNDP)) to establish the new GEF as provided in the "Instrument for the Establishment of the Restructured Global Environment Facility" and to replenish its funds. The GEF Council had met for the first time in July and made a good start towards preparing an operational strategy that would guide activities and resources over the next three years. He was confident that the close and professional relations developed during the pilot phase between the GEF and the Committee and its secretariat would grow and mature.

II. ORGANIZATIONAL MATTERS

A. Adoption of the agenda

7. At its 1st plenary meeting, on 22 August, the Committee adopted the following agenda:

1. Organizational matters:

   (a) Adoption of the agenda;
   (b) Organization of work;
   (c) Election of officers;
   (d) Arrangements for the eleventh session of the Committee.

2. Status of ratification of the Convention:

3. Matters relating to commitments:

   (a) First review of information communicated by each Party included in Annex I to the Convention;
   (b) Review of the adequacy of commitments in Article 4, paras. 2 (a) and (b);
   (c) Criteria for joint implementation;
   (d) Report on implementation;
   (e) The roles of the subsidiary bodies established by the Convention.

4. Matters relating to arrangements for the financial mechanism and for technical and financial support to developing country Parties:

   (a) Implementation of Article 11 (Financial mechanism), paras. 1-4;

(b) Consideration of the maintenance of the interim arrangements referred to in Article 21, para. 3;
(c) Provision to developing country Parties of technical and financial support.

5. Procedural and legal matters:

(a) Rules of procedure of the Conference of the Parties and of the subsidiary bodies established by the Convention;
(b) Consideration of the establishment of a multilateral consultative process for the resolution of questions regarding implementation (Article 13).

6. Institutional matters:

(a) Designation of a permanent secretariat and arrangements for its functioning; and financial rules of the Conference of the Parties and of the subsidiary bodies established by the Convention.

7. Review of the activities of the interim secretariat, including review of extrabudgetary funds.

8. Arrangements for the first session of the Conference of the Parties, including agenda and organization of work.

9. Adoption of the report of the Committee.

8. At the same meeting, the Committee allocated agenda item 3 to Working Group I, agenda item 4 to Working Group II, and decided that all other items would be considered in plenary meetings.

B. Organization of work

9. At its 1st plenary meeting, on 22 August, the Committee approved the organization of work as proposed in document A/AC.237/56. It was agreed that the two Working Groups would further refine their respective work programmes, as needed, to ensure the timely preparation of the conclusions of the Committee (see A/AC.237/56, annex II).

10. At the 5th plenary meeting, on 29 August, the Co-Chairmen of Working Groups I and II reported on the progress of consideration of agenda items under their respective responsibilities.

C. Election of Officers

11. At the 2nd plenary meeting, on 24 August, the Committee elected Ms. Rungano P. Karimanzira (Zimbabwe) as Vice-Chairman of the Committee, in replacement of Mr. Ahmed Djoghlaf (Algeria). The Chairman, on behalf of the Committee, congratulated Ms. Karimanzira, looking forward to her participation in the work of the Bureau, and expressed warm appreciation to Mr. Djoghlaf for the significant contribution that he had made as Vice-Chairman since the start of the Committee's work in 1991.

12. The Officers of the Committee and of its two Working Groups are consequently as follows:

Chairman:	Mr. Raúl Estrada-Oyuela (Argentina)
Vice-Chairmen:	Ms. Rungano P. Karimanzira (Zimbabwe) Mr. Maciej Sadowski (Poland) Mr. T.P. Sreenivasan (India) Ms. Penelope Wensley (Australia)
Rapporteur:	Mr. Maciej Sadowski (Poland)

Working Group I

Co-Chairmen:	Mr. Mohamed M. Ould El Ghaouth (Mauritania) Ms. Cornelia Quennet (Germany)
Vice-Chairman:	Mr. Tibor Faragó (Hungary)

Working Group II

Co-Chairmen:	Mr. Nobutoshi Akao (Japan) Mr. James T. Stovall III (Federated States of Micronesia)
Vice-Chairman:	Mr. John W. Ashe (Antigua and Barbuda)

D. Attendance

13. The tenth session was attended by representatives of the following 139 States:

Algeria
Antigua and Barbuda
Argentina
Armenia
Australia
Austria
Bangladesh
Belgium
Benin
Bhutan
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Canada
Cape Verde
Central African Rep.
Chad
Chile
China
Colombia
Comoros
Cook Islands
Costa Rica
Côte d'Ivoire
Cuba
Cyprus
Czech Republic
Democratic People's Rep. of Korea
Denmark
Dominica
Ecuador
Egypt
El Salvador
Estonia
Fiji
Finland
France
Gabon
Gambia
Georgia
Germany
Greece
Grenada
Guatemala
Guinea
Guinea-Bissau
Holy See
Honduras
Hungary
Iceland
India
Indonesia
Iran (Islamic Rep. of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Kiribati
Kuwait
Lao People's Democratic Rep.
Latvia
Lebanon
Lesotho
Liberia
Lithuania
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mauritius
Mexico
Micronesia (Federated States of)
Mongolia
Morocco
Myanmar
Nauru
Nepal
Netherlands
New Zealand
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Rep. of Korea
Romania
Russian Federation
Saint Lucia
Samoa
Sao Tome and Principe
Saudi Arabia
Senegal
Sierra Leone
Singapore
Slovak Republic
Slovenia

Solomon Islands
South Africa
Spain
Sri Lanka
Sudan
Swaziland
Sweden
Switzerland
Thailand
Togo
Tonga
Trinidad and Tobago
Tunisia
Turkey
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Uzbekistan
Venezuela
Viet Nam
Yemen
Zambia
Zimbabwe

14. The following United Nations offices and programmes were represented: United Nations Department for Policy Coordination and Sustainable Development (DPCSD); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Environment Programme (UNEP); United Nations Institute for Training and Research (UNITAR); United Nations Economic Commission for Europe (CEE); United Nations Centre for Human Settlements (HABITAT); Interim Secretariat for the Intergovernmental Negotiating Committee for a Convention to Combat Desertification (DPCSD/INCD); Interim Secretariat for the Convention on Biological Diversity (ISCBD/UNEP); Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); UNEP/WMO Information Unit on Climate Change (IUCC).

15. The following specialized agencies and other organizations of the United Nations system were represented: World Health Organization (WHO); World Bank and its International Finance Corporation; Global Environment Facility of the World Bank/UNDP/UNEP/ (GEF); World Meteorological Organization (WMO); WMO/UNEP Intergovernmental Panel on Climate Change (IPCC); United Nations Industrial Development Organization (UNIDO); Intergovernmental Oceanographic Commission of UNESCO (UNESCO/IOC); International Atomic Energy Agency (IAEA); General Agreement on Tariffs and Trade (GATT).

16. The following intergovernmental organizations were represented: Agency for Cultural and Technical Cooperation (ACCT); International Energy Agency (IEA); Asian-African Legal Consultative Committee (AALCC); European Community; League of Arab States; Organisation for Economic Cooperation and Development (OECD); Organization of the Petroleum Exporting Countries (OPEC); South Pacific Regional Environment Programme (SPREP).

17. The following non-governmental organizations in consultative status with the Economic and Social Council were represented:

Category I: International Chamber of Commerce; International Council of Women; World Federation of United Nations Associations.

Category II: Environmental Defense Fund; Greenpeace International; International Council of Environmental Law; International Petroleum Industry Environmental Conservation Association; World Coal Institute; World Council of Churches.

Roster: International Organization of Motor Vehicle Manufacturers.

18. The following other non-governmental organizations were also represented: Alliance for Responsible Atmospheric Policy; Business Council for a Sustainable Energy Future; Business Council for Sustainable Development; Center for Clean Air Policy; Centre for Our Common Future; Centre for Science and Environment; Climate Action Network; Climate Action Network Latin America; Climate Action Network South-East Asia; Earth Council; European Chemical Industry Council; Conservation Law Foundation; Earth Negotiations Bulletin; Edison Electric Institute; Face Foundation; Foundation for International Environmental Law and Development; Fridtjof Nansen Institute; Global Climate Coalition; Global Industrial and Social Progress Research Institute; GreenNet; Imperial College Centre for Environmental Technology; Indian Law Resource Center; Institute de Recherche sur l'environnement; Institute for Environmental Studies-Free University Amsterdam; Institute of Energy Economics - Japan; International Academy of the Environment; International Climate Change Partnership; International Council for Local Environmental Initiatives; International Peace Research Organization; Massachusetts Institute of Technology; National Coal Association; New Zealand Forest Owners' Association Inc.; Proclim - Forum for Climate and Global Change; Rainforest Regeneration Institute; Stockholm Environment Institute; Tata Energy Research Institute; Union des Producteurs et Distributeurs d'Electricité; Verification Technology Information Centre; Woods Hole Research Center; World Energy Council; World Wide Fund for Nature; Wuppertal Institute for Climate, Environment and Energy.

E. Documentation

19. The documents before the Committee at its tenth session are listed in Annex II to the present report.

F. Arrangements for the eleventh session of the Committee

1. Proceedings

20. At the 5th plenary meeting, on 29 August, the Executive Secretary presented document A/AC.237/57 on this subject. Statements were made by the representatives of 16 States, including one on behalf of the European Community and its member States. The Executive Secretary responded to a number of questions and requests for clarification.

21. At the 6th plenary meeting, on 1 September, the Chairman recalled that the Committee, at its eighth session, had decided that its eleventh session should be scheduled for two weeks, from 6 to 17 February 1995, at United Nations Headquarters in New York. This schedule has been included in the United Nations calendar of conferences. The Chairman sought guidance on the need to extend the eleventh session by a third week, as foreseen in decision 9/3 of the Committee (paragraph 5). Statements were made by the representatives of 7 States. It was concluded that the duration of the session should remain at two weeks. The Chairman noted that it might be possible to advance the work of the session by organizing before it a meeting of the Bureau and other consultations.

2. Conclusions

22. The Committee agreed on the following conclusions:

(a) To request the Executive Secretary, in consultation with the Chairman and the Bureau, to draft the provisional agenda and propose the organization of work for the eleventh session, taking account of the outcome of the tenth session of the Committee and the proposed schedule of work contained in document A/AC.237/57, paras. 18-20;

(b) To allocate to Working Group I at its eleventh session, in pursuance of paras. 3 and 4 of its decision 9/3, the tasks listed in Article 4.2(b), (c) and (d);

(c) To request the interim secretariat to prepare, as needed, draft recommendations to COP 1 for consideration by the Committee at its eleventh session, on the basis of the format contained in annex I to document A/AC.237/57;

(d) To confirm the schedule for its eleventh session, as set at its eighth session, and to request the interim secretariat to ensure the provision of all services necessary for the completion of its work.

23. One representative, speaking on behalf of the 44 States members of the Organization of the Islamic Conference, drew attention to the fact that the eleventh session would take place during the Muslim holy month of Ramadan and proposed that the interim secretariat should make arrangements for afternoon meetings at that session to end before sunset. The Chairman observed that this question affected all meetings in the United Nations calendar at that time and that any reduction in duration of meetings would not only reduce the working time available to complete the Committee's tasks but also leave services unused, thus having financial implications. On the basis, the Chairman ruled that the matter should be dealt with by the General Assembly, where the States in question could raise it.

III. GENERAL STATEMENTS

24. At the 1st plenary meeting, on 22 August, a general statement was made by the representative of Algeria, on behalf of the Group of 77 and China.

25. At the 4th plenary meeting, on 25 August, a statement was made on behalf of non-governmental organizations representing the business community. At the same meeting, two statements were made on behalf of environmental non-governmental organizations.

26. At the 6th plenary meeting, on 1 September, the representatives of Denmark and the Netherlands made brief presentations of their respective national communications submitted in accordance with Article 12 of the Convention. Copies of the national communication of the Danish Government entitled "Climate Protection in Denmark" were made available to the Committee, as were highlights of the Netherlands communication.

IV. STATUS OF RATIFICATION OF THE CONVENTION

27. At its 1st plenary meeting, on 22 August, the Committee noted that the Convention had entered into force on 21 March 1994.

28. The representatives of Indonesia, Kenya, Lesotho, Nigeria, Papua New Guinea, the Russian Federation, South Africa and Uruguay made statements on the status of ratification of the Convention in their countries.

29. In order to save the time of the Committee and at the request of the Chairman, the representatives of Bhutan, Bolivia, Comoros, Costa Rica, Guinea-Bissau, Lebanon, Liberia, Mali and Slovakia delivered written information to the interim secretariat on the status of ratification in their countries.

30. At the 5th plenary meeting, on 29 August, the representatives of the Czech Republic and Slovakia informed the Committee that their Governments considered that their countries should be included in the list of Annex I countries and would be taking legal steps, under Article 4.2(g).

31. At its 7th plenary meeting, on 2 September, the Committee noted with satisfaction that 93 instruments of ratification, acceptance, approval or accession had been deposited.

V. MATTERS RELATING TO COMMITMENTS

32. At its 1st meeting, on 22 August, Working Group I, bearing in mind rule 46 of the rules of procedure of the Committee, maintained the decision taken at the second session (A/AC.237/9, para. 25) that its meetings would be open unless it decided otherwise. Working Group I held 9 open meetings from 22 August to 1 September, as well as a number of informal meetings and consultations.

33. Also at the 1st meeting of the Working Group, the Chairman of the IPCC responded to questions raised by representatives in the Working Group, in the light of his earlier presentation to the Committee.

A. First review of information communicated by each Party included in Annex I to the Convention

1. Proceedings

34. Working Group I discussed sub-item 3 (a) at its 1st and 2nd meetings, on 22 and 23 August. It had before it the following documents:

(a) Comments from Parties or other member States on the first review of information communicated by each Party included in Annex I to the Convention (A/AC.237/Misc.36);

(b) Note by the interim secretariat on the process for the first review of communications from Annex I Parties (A/AC.237/63);

(c) Report on the initiative undertaken by the countries and an organization included in Annex I to the Convention on the process for the first review of communications from Annex I Parties (A/AC.237/63/Add.1); and

(d) Note by the interim secretariat on the status of submissions of first communications from Annex I Parties (A/AC.237/INF.16 and Rev.1).

35. Statements under this sub-item were made by representatives of 12 States, including one speaking on behalf of the European Community and its member States and another on behalf of the Alliance of Small Island States.

36. Having discussed texts presented by the Co-Chairmen (A/AC.237/WG.I/L.20), Working Group I, at its 9th meeting on 1 September, recommended a draft decision on the sub-item for adoption by the Committee.

2. Conclusions

37. On the recommendation of Working Group I, the Committee, at its 7th plenary meeting on 2 September, adopted decision 10/1 on the first review of information communicated by each Party included in Annex I to the Convention, which is contained in annex I to this report.

B. Review of the adequacy of commitments in Article 4, para. 2 (a) and (b)

1. Proceedings

38. Working Group I discussed sub-item 3 (b) at its 2nd and 3rd meetings on 23 August. It had before it the following documents:

(a) Comments from Parties or other member States on the review of the adequacy of commitments in Article 4, para. 2 (a) and (b) (A/AC.237/Misc.36 and Add.1,); and

(b) Note prepared by the interim secretariat on the review of the adequacy of commitments in Article 4, para. 2 (a) and (b) (A/AC.237/65).

39. Statements under this sub-item were made by representatives of 34 States, including one speaking on behalf of the European Community and its member States.

40. Having discussed texts presented by the Co-Chairmen (A/AC.237/WG.I/L.23), Working Group I, at its 9th meeting on 1 September, recommended draft conclusions on the sub-item for adoption by the Committee.

2. Conclusions

41. On the recommendation of Working Group I, the Committee, at its 7th plenary meeting on 2 September, agreed on the following conclusions regarding sub-item 3 (b):

42. Having reviewed document A/AC.237/65 on the review of the adequacy of commitments in Article 4.2(a) and (b), drawing upon document A/AC.237/Misc. 36 and Add.1, recalling its intention to undertake a preliminary review of the adequacy of commitments by Annex I Parties in Article 4.2(a) and (b) and recalling that the Conference of the Parties (COP) is mandated in conformity with Article 4.2(d) to take appropriate action on this matter, the Committee reaffirmed its conclusions as outlined in paragraph 54 of the report on its ninth session (A/AC.237/55), and concluded it had made progress in understanding the subject and in identifying possible ways in which the process for the review of the adequacy might unfold, including inputs to be provided and possible follow-up actions.

43. Some countries expressed the need for a cautious approach to the review of the adequacy of commitments and decisions on commitments in the light of such review. They stressed the need to focus on the implementation of existing commitments of Annex I Parties and raised the question of whether Annex I Parties would be able to meet existing commitments by the year 2000. In the view of these countries, informed consideration of additional commitments at COP 1 as requested by Article 4.2(d) could only take place in the light of a thorough review of each of the national[1] communications of Annex I Parties.

44. These countries expressed the opinion that the scientific, technical, and economic information that had been the basis of the existing commitments was basically unchanged and, therefore, did not warrant new commitments. They expressed the opinion that the Second Assessment Report of the IPCC would not be available until the last quarter of 1995 and that it would seem to be the best source of information on scientific, technical and socio-economic issues that are required to be considered under Article 4.2(d). These countries felt that among the information that is required for an informed review of the adequacy of commitments would be the economic impacts on developing countries of any new commitments by Annex I Parties. In these circumstances, these countries felt it would be premature for COP 1 to draw conclusions as to whether current commitments were adequate and, if not, what COP decisions would be appropriate if any such conclusions were drawn.

45. These countries referred to the delicate balance between commitments of developed and developing countries that have been negotiated in the existing Convention and indicated that, in addition to additional commitments being premature, any suggestions relating to further commitments for non-Annex I Parties were not acceptable. In this regard, some other countries referred to Article 4.2(d) which states that COP 1 shall review the adequacy of Article 4.2(a) and (b), which concerns the commitments of Annex I Parties and not those of non-Annex I Parties.

46. Some countries recalled the principle of common but differentiated responsibilities stated in Articles 3 and 4 of the Convention and that the fulfilment of commitments by non-Annex I Parties are subject to financial and technical flows from developed country Parties, according to Article 4.7 of the Convention.

47. Some of these countries furthermore noted that any consideration of commitments by non-Annex I Parties must necessarily wait for the effective demonstration of leadership by Annex I countries as called for in the Convention, by means of real reduction of their emissions of greenhouse gases.

48. Some other countries were of the opinion that the implementation of the existing commitments by Annex I Parties should go hand in hand with the development of additional commitments, in particular for the period beyond the year 2000. A number of these countries noted that these existing commitments do not provide sufficient guidance on action to be taken beyond 2000. These countries felt that currently available scientific information from the IPCC

and other relevant information, such as that from the International Energy Agency (IEA), indicated that present commitments, including those for Annex I Parties in Article 4.2(a) and (b), are insufficient to meet the objective of the Convention. Some of these countries noted that, according to currently available scientific information, stabilization of CO_2 emissions at 1990 levels by the year 2000 will not lead to stabilization of atmospheric CO_2 concentrations at any time within the next 100 years. Together with the additional report to be provided by the IPCC before the eleventh session of the Committee, this information, according to these countries, was expected to meet the demand for scientific information and assessment as indicated in
Article 4.2(d). Some countries felt that, at the same time, the precautionary principle, in accordance with Article 3.3, remains an important element of the Convention to be taken also into account.

49. These countries were of the opinion that COP 1, as indicated in Article 4.2(d), would be a particularly important occasion to make progress on the elaboration of additional commitments. They also felt that, at a minimum, that session would have to launch a formal process or negotiations on such commitments. It should agree on the mandate of the negotiating or other process, including the type of instrument and the subject or subjects to be addressed. Other elements of a process would also have to be determined, such as the forum for negotiations, the frequency and duration of meetings, any inputs that would be needed and a deadline for the negotiations. In this context, many of these countries preferred a protocol to an amendment. As regards the substance of such a protocol, as well as on the choice between a comprehensive protocol or a series of more specific protocols, they were open to considering alternatives. However, the concept of an inclusive protocol, addressing all gases covered by the Convention, their sources and sinks, and the full range of sectors, drew particular interest. Some countries felt that such a protocol might be built on complementary approaches involving, on the one hand, commitments on a new aim or on targets and timetables and, on the other, commitments on policies and measures, possibly including a menu of options. Some countries felt that a protocol or protocols could also be the basis for sector-specific actions, and/or for international coordination of policies and measures, including economic and administrative instruments. Reference was made to Article 4.2(e) in this regard. They recognized that a protocol would have to take into account the different starting points and circumstances of Parties. Some of these countries drew attention to the need for a protocol to elaborate on equity among Parties, in accordance with their common but differentiated responsibilities and respective capabilities, noting relevant references in Articles 3 and 4 of the Convention. COP 3 in 1997 was seen by many as a suitable target date for agreeing on a protocol.

50. These countries felt that the responsibility for negotiations might be given to the Subsidiary Body for Implementation (SBI). If the workload of the SBI was too heavy, an alternative would be to charge an open-ended ad-hoc body of the COP with this task.

51. Some of these countries were of the opinion that action by Annex I Parties alone would be insufficient in the light of the objective of the Convention and therefore raised the question

how global action could be promoted. They felt that additional commitments should have to demonstrate continued leadership of the developed country Parties in addressing climate change. In order to increase effectiveness, some of these countries felt that such commitments should also offer opportunities for other Parties to contribute to the effort to combat climate change.

52. Some of these countries also considered that COP 1, beyond launching a new round of negotiations, would also provide an opportunity to already adopt some additional commitments. These could take the form of a Protocol, if a proposal for that were made available in time, that is, before 28 September 1994, or of a decision or a resolution by the Parties.

53. Suggestions for additional institutional arrangements to support the implementation of existing and any new commitments were welcomed. In this regard, technical panels and a mechanism for consultation with key industries that could make a significant contribution to addressing global emissions drew particular interest. The Committee agreed to further consider these proposals at its eleventh session.

54. The Committee agreed that, at its eleventh session, it would continue its discussion and recalled that at that session it would carry out, on an interim basis, the most pressing tasks of the subsidiary bodies including the tasks listed in Article 4.2(d), and make the necessary recommendations thereon to COP 1. In preparing a report to COP 1 on the matter, it would take into account, as appropriate, the elements for an outline as suggested in document A/AC.237/65, section III. The Committee requested the interim secretariat to prepare an annotated compilation of information on the global situation, based on available peer-reviewed scientific, technical, social and economic information contained in approved reports from IPCC and other relevant intergovernmental bodies. It also requested the interim secretariat to provide a compilation of interventions on this subject from the present session and of any further comments which Parties or other member States may have transmitted to the interim secretariat by 15 November 1994. Documents that have been or will be submitted to the interim secretariat may, upon request by the submitting country or organization, be issued by the interim secretariat in the original language only and distributed to all delegations.

C. Criteria for joint implementation

1. Proceedings

55. Working Group I discussed sub-item 3 (c) at its 6th meeting, on 26 August. It had before it the following documents:

(a) Comments from Parties or other member States on criteria for joint implementation (A/AC.237/Misc.37 and Add.1); and

(b) Note by the interim secretariat on criteria for joint implementation (A/AC.237/66).

56. Statements under this sub-item were made by representatives of 31 States, including one speaking on behalf of the European Community and its member States.

57. Having discussed texts prepared by the Co-Chairmen (A/AC.237/WG.I/L.24), Working Group I, at its 9th meeting, on 1 September, recommended draft conclusions on the sub-item for adoption by the Committee.

2. Conclusions

58. On the recommendation of Working Group I, the Committee, at its 7th plenary meeting on 2 September, agreed on the following conclusions regarding sub-item 3 (c):

59. The Committee took note of document A/AC.237/Misc. 37 and Add.1, containing comments by Parties and other member States and document A/AC.237/66, prepared by the interim secretariat. The Committee recognized that joint implementation, which is a concept embedded in the Convention, is a new and as yet untested approach to addressing a global environmental problem.

60. The Committee concluded that it had made progress in understanding the subject, especially with respect to a phased approach, beginning with a pilot phase. The discussions were indicative of an emerging need for a consensus on the criteria to be defined in developing the concept of joint implementation.

61. Taking into account the complexity as well as the far-reaching political implications of the subject, the Committee agreed to continue discussion on this matter at its next session, with a view to deciding on a recommendation to COP 1.

62. The Committee requested the interim secretariat to provide a compilation of interventions on this subject and of any further comments which Parties or other member States may have transmitted to the interim secretariat before 15 November 1994. Comments on the following issues with respect to joint implementation in the pilot phase would be particularly relevant:

- objectives
- criteria and operational guidelines
- functions and institutional arrangements, including the roles of the Convention institutions
- communication and review
- early experiences

Documents that have been or will be submitted to the interim secretariat may, upon request by the submitting country or organization, be issued by the interim secretariat in the original language only and distributed to all delegations.

D. Report on implementation

1. Proceedings

63. Working Group I discussed sub-item 3 (d) at its 7th meeting, on 29 August 1994. Document A/AC.237/48 and Add.1, prepared by the interim secretariat, was taken as a basis for consideration of the subject.

64. Statements under this sub-item were made by the representatives of 5 States, including one speaking on behalf of the European Community and its member States.

65. Having discussed texts presented by the Co-Chairmen (A/AC.237/WG.I/L.22), Working Group I, at its 9th meeting, on 1 September, proposed a draft recommendation to COP 1 on the sub-item for adoption by the Committee.

2. Conclusions

66. On the recommendation of Working Group 1, the Committee, at its 7th plenary meeting on 2 September, adopted INC/FCCC/Recommendation 1 on the report on implementation for submission to COP 1, which is included in annex I to this report.

E. The roles of the subsidiary bodies of the Convention

1. Proceedings

67. Working Group I discussed sub-item 3 (e) at its 4th and 5th meetings, on 24 August 1994. Document A/AC.237/64, prepared by the interim secretariat, was taken as a basis for consideration of the subject.

68. Statements under this sub-item were made by representatives of 15 States, including one speaking on behalf of the European Community and its member States and another speaking on behalf of the Group of 77 and China.

69. Having discussed texts presented by the Co-Chairmen (A/AC.237/WG.I/L.21), Working Group I, at its 9th meeting on 1 September, recommended a draft decision on the sub-item for adoption by the Committee.

2. Conclusions

70. On the recommendation of Working Group I, the Committee, at its 7th plenary meeting on 2 September, adopted decision 10/2 on the roles of the subsidiary bodies established by the Convention, which is contained in annex I to this report.

VI. MATTERS RELATING TO ARRANGEMENTS FOR THE FINANCIAL MECHANISM AND FOR TECHNICAL AND FINANCIAL SUPPORT TO DEVELOPING COUNTRY PARTIES

71. At its 1st meeting, on 22 August, Working Group II, bearing in mind rule 46 of the rules of procedure of the Committee, maintained the decision taken at its second session (A/AC.237/9, para. 36) that its meetings would be open unless it decided otherwise. Working Group II held 15 open meetings from 22 August to 1 September.

72. Also, at the 1st meeting of the Working Group, the Chief Executive Officer and Chairman of the GEF responded to questions raised by representatives in the Working Group, in the light of his earlier presentation to the Committee. The Executive Secretary participated in this exchange.

A. Implementation of Article 11 (Financial Mechanism), paras. 1-4

1. Proceedings

73. Working Group II considered sub-item 4 (a) at its 2nd to 5th meetings and its 7th to 15th meetings, from 23 August to 1 September. It dealt with matters concerning the implementation of the provisions of Article 11 of the Convention, and had before it the following documents relating to the sub-item submitted by the interim secretariat:

(a) Implementation of Article 11 (Financial mechanism) - Issues to be addressed by the Committee: a preliminary overview (A/AC.237/67 and Add. 1);

(b) Synthesis report on adaptation (A/AC.237/68);

(c) Report on specific near-term priorities and needs of developing countries (A/AC.237/69);

(d) Summary of the "Guidelines for the preparation of first communications by Annex I Parties" (Annex to Committee decision 9/2) (A/AC.237/70);

(e) Relevant activities outside the financial mechanism: consistency with Convention policies (A/AC.237/71);

(f) Report on a permanent and feasible monitoring system and on the activities of regional and multilateral financial and other institutions relevant to climate change (A/AC.237/72);

(g) Progress report on agreed full incremental costs (A/AC.237/73);

(h) Modalities for the functioning of operational linkages between the Conference of the Parties and the operating entity or entities of the financial mechanism: legal opinion of the United Nations Office of Legal Affairs (A/AC.237/74); and

(i) Submissions from Parties or other member States on the specific near-term priorities and needs of developing countries, adaptation and issues related to the financial mechanism (A/AC.237/Misc. 38 and Add. 1);

74. Statements were made under this sub-item by representatives of 41 States, including one speaking on behalf of the Group of 77 and China, and one on behalf of the European Community and its member States.

75. At the 4th meeting, on 24 August, a statement was made by the observer for a non-governmental organization.

76. At the 10th meeting, on 30 August, the representative of India reported on the findings of an expert meeting of the Group of 77 and China on communication of information under Article 12.1 by non-Annex I Parties and circulated a paper on the subject (to be issued as document A/AC.237/Misc.39).

77. Having discussed proposals by the Co-Chairmen, the Working Group, at its 14th meeting, on 1 September, recommended a draft decision on temporary arrangements between the Committee and the Global Environment Facility and, at its 15th meeting on 1 September, recommended conclusions on the sub-item.

2. Conclusions

78. On the recommendation of Working Group II, the Committee, at its 7th plenary meeting on 2 September, adopted decision 10/3 on temporary arrangements between the Committee and the Global Environment Facility, which is contained in annex I to this report.

79. At the same meeting, on the recommendation of Working Group II, the Committee agreed upon the following conclusions relating to the implementation of Article 11 (Financial mechanism), paras. 1-4:

80. Concerning all the issues addressed during the session, it was understood that the work of the Committee was a continuing process and that the Committee would return to them at its eleventh session in order to build on agreements reached, including those of its eighth and ninth sessions, and make recommendations thereon to the Conference of the Parties at its first session.

81. With respect to activities undertaken under Article 11, the Committee concluded that:

(a) Within the framework of the financial mechanism:

(i) The operating entity or entities should, in all funding decisions related to the financial mechanism, take into account Article 4.1, 4.7, 4.8, 4.9 and 4.10 of the Convention. In particular, in order to take full account of the specific needs and special situations of the least developed countries, funds allocated to their projects/programmes should be on a grant basis;

(ii) Projects funded through the financial mechanism should be country-driven and in conformity with, and supportive of, national development priorities of each country;

(iii) The operating entity or entities should ensure that, with reference to activities involving transfer of technology, such technology is environmentally sound and adapted to suit local conditions;

(iv) As far as possible, due consideration should be given to the following aspects concerning activities undertaken under the financial mechanism. Activities should be:

- supportive of the national development priorities which contribute to a comprehensive national response to climate change;

- consistent with and supportive of the relevant provisions of internationally agreed programmes of action for sustainable development in line with the Rio Declaration and Agenda 21 and UNCED-related agreements;

- sustainable and lead to wider application;

- cost-effective;

(v) The operating entity or entities of the financial mechanism should strive to leverage other funds in support of the activities of the developing country Parties to address climate change;

(b) Outside the framework of the financial mechanism:

(i) Consistency should be sought and maintained between activities (including those related to funding) relevant to climate change undertaken outside the framework of the financial mechanism and the policies, programme priorities and eligibility criteria for activities as relevant, established by the COP.

82. Regarding programme priorities, the Committee concluded that :

(a) Priority should be given to the funding of agreed full costs (or agreed full incremental costs, as appropriate) incurred by developing country Parties in complying with their obligations under Article 12.1 and other relevant commitments under the Convention. In the initial period, emphasis should be placed on enabling activities undertaken by developing country Parties, such as planning, endogenous capacity building including institutional strengthening, training, research and education, that will facilitate implementation, in accordance with the Convention, of effective response measures.

83. The Committee took note of the paper presented by the Group of 77 and China on the format for communication of information by non-Annex I Parties and decided to take it up for discussion at the eleventh session.

84. With regard to eligibility criteria for countries, the Committee concluded that:

(a) Eligibility criteria will apply to countries and to activities and will be applied in accordance with Article 11.1, 11.2 and 11.3;

(b) Regarding eligibility of countries, only countries that are Parties to the Convention would be eligible to receive funding upon entry into force of the Convention. In this context, only developing country Parties would be eligible to receive funding through the financial mechanism, in accordance with Article 4.3.

85. Concerning eligibility criteria for activities, the Committee concluded that:

(a) Those activities related to obligations under Article 12.1 to communicate information for which the "agreed full costs" are to be met are eligible for funding;

(b) Measures covered by Article 4.1 are eligible for funding through the financial mechanism in accordance with Article 4.3. Such measures should be agreed between the developing country Party and the international entity or entities referred to in Article 11.1, in accordance with Article 4.3;

(c) In addition to the above, such measures would be eligible for financial support under Article 11.5.

86. Regarding adaptation, the Committee agreed on the following:

(a) Adaptation to the adverse effects of climate change, as defined by the Convention, will require short, medium and long term strategies which should be cost effective, take into account important socio-economic implications, and which should be implemented on a stage-by-stage basis in developing countries that are Parties to the Convention. In the short term, the following stage is envisaged:

(i) Stage I: Planning, which includes studies of possible impacts of climate change to identify particularly vulnerable countries or regions and policy options for adaptation, and appropriate capacity building.

(b) In the medium and long term, the following stages are envisaged for the particularly vulnerable countries or regions identified in Stage I:

(i) Stage II: Measures, including further capacity building, which may be taken to prepare for adaptation, as envisaged by Article 4.1(e).

(ii) Stage III: Measures to facilitate adequate adaptation, including insurance, and other adaptation measures as envisaged by Articles 4.1(b) and 4.4.

(c) Based on the outputs of the Stage I studies, as well as other relevant scientific and technical studies, such as those of the IPCC, and any emerging evidence of the adverse effects of climate change, the COP may decide that it has become necessary to implement the measures and activities envisaged in Stages II and III, consistent with the conclusions of the Committee and the Convention.

(d) Funding for the implementation of such adaptation measures and activities would be provided as follows:

(i) For Stage I, the COP at its first session, shall entrust to the Global Environment Facility (GEF), the interim operating entity of the financial mechanism, the task of meeting the agreed full costs of the activities required by Article 12.1 of the Convention. This would include meeting the agreed full costs of relevant adaptation activities undertaken in the context of the formulation of national communications; such activities may include studies of the possible impacts of climate change, identification of options for implementing the adaptation provisions (especially the obligations contained in Article 4.1(b) and 4.1(e)) of the Convention, and relevant capacity building.

(ii) If it is decided in accordance with paragraph (c) above, that it has become necessary to implement the measures envisaged in Stages II and III, the Annex II Parties will provide funding to implement the adaptation measures envisaged in these stages in accordance with their commitments contained in Article 4.3 and 4.4 of the Convention.

(iii) In its review of the financial mechanism of the Convention under Article 11.4, the COP, taking into account studies conducted and options for adaptation identified during Stage I, any emerging evidence of the adverse effects of climate change, as well as the conclusions reached by the Committee and its own decisions on this issue, must decide on the channel/channels, under Article 11 of the Convention, to be used for the funding referred to in the preceding sub-paragraph, to implement the adaptation measures envisaged in Stages II and III.

87. On agreed full incremental costs, the Committee concluded that the various issues of incremental costs were complex and difficult and that further discussion on the subject was therefore needed. It also concluded that the application of the concept of agreed full incremental costs should be flexible, pragmatic and on a case-by-case basis. Guidelines in this regard would be developed by the COP at a later stage on the basis of experience. In this regard, the interim secretariat was requested to seek further information from countries, international organizations and relevant groups and to compile this information for consideration by the Committee at its eleventh session.

88. Concerning the transfer of technology, the interim secretariat was requested to prepare a paper on transfer of technology covered by the Convention including elements of a framework for such transfer, modalities and ways and means of operationalizing the relevant Articles mentioned in the Convention pertaining to transfer of technology. In addition, delegations were invited to submit their views on this issue by mid-October.

89. On modalities for the functioning of operational linkages between the COP and the operating entity of the financial mechanism, it was agreed that:

(a) The COP, the supreme body of the Convention, and the entity or entities entrusted with the operation of the financial mechanism, shall agree upon arrangements to give effect to the provisions of paragraphs 1 and 2 of Article 11 through the operational linkages which are discussed below;

(b) In line with Article 11.1 of the Convention, the COP will, after each of its sessions, communicate to the governing body of the operating entity relevant policy guidance for implementation and action by that governing body, which shall accordingly ensure the conformity of the entity's work with the guidance of the COP. Guidance from the COP will

address issues relating to policies, programme priorities and eligibility criteria, as well as possible relevant aspects of the activities of the operating entity that are related to the Convention;

(c) The governing body of the operating entity has the responsibility of ensuring that funded projects related to the Convention are in conformity with the policies, eligibility criteria and programme priorities established by the COP. It will report regularly to the COP on its activities related to the Convention and on the conformity of those activities with the guidance received from the COP;

(d) Regular reports by the Chairman or secretariat of the operating entity to its governing body will be made available to the COP through its secretariat. Other official documentation of the operating entity should also be made available to the COP through its secretariat;

(e) In addition, the COP should receive and review at each of its sessions a report from the governing body of the operating entity which should include specific information on how it has applied the guidance and decisions of the COP in its work related to the Convention. This report should be of a substantive nature and incorporate the programme of future activities of this entity in the areas covered by the Convention and an analysis on how the entity, in its operations, implemented the policies, eligibility criteria and programme priorities related to the Convention established by the COP. In particular, a synthesis of the different projects under implementation and a listing of the projects approved in the areas covered by the Convention, as well as a financial report including accounting and evaluation of its activities in the implementation of the Convention, indicating the availability of resources, should be included;

(f) In order to meet the requirements of its accountability to the COP, reports submitted by the governing body of the operating entity should cover all its activities carried out in implementing the Convention, whether decisions on such activities are made by the governing body of the operating entity or by bodies operating under its auspices for the implementation of its programme. To this end, it shall make such arrangements with such bodies as might be necessary regarding the disclosure of information;

(g) The funding decisions for specific projects should be agreed between the developing country Party concerned and the operating entity in conformity with policy guidance from the COP. However, if any Party considers that a decision regarding one of the specific projects does not comply with the policies, eligibility criteria and programme priorities established by the COP in the context of the Convention, the COP should analyse the observations presented and take decisions on the basis of compliance with such policies, eligibility criteria and programme priorities. In the event that the COP considers that this specific project decision does not comply with the policies, eligibility criteria and programme priorities established by the COP, it may ask the governing body of the operating entity for further clarification on this specific project decision and in due time ask for a reconsideration of that decision;

(h) The COP will periodically review and evaluate the effectiveness of all modalities established in accordance with Article 11.3. Such evaluations will be taken into account by the COP in its decision, pursuant to Article 11.4, on the arrangements for the financial mechanism.

90. The Committee invited the interim secretariat to elaborate, for consideration at its eleventh session, substantive elements that will need to be included in the arrangements that are to be drawn up under Article 11.3 of the Convention. These elements should be elaborated in consultation with the secretariat of the GEF.

B. Consideration of the maintenance of the interim arrangements referred to in Article 21, para.3

1. Proceedings

91. Working Group II considered sub-item 4 (b) at its 7th meeting, on 26 August. It had before it the following documents relating to the sub-item:

(a) Implementation of Article 11 (Financial mechanism) - Issues to be addressed by the Committee: a preliminary overview (A/AC.237/67); and

(b) Modalities for the functioning of operational linkages between the Conference of the Parties and the operating entity or entities of the financial mechanism: legal opinion of the United Nations Office of Legal Affairs (A/AC.237/74).

92. At the same meeting, the Working Group decided to recommend to the Committee that the sub-item should be deferred to the eleventh session of the Committee.

2. Conclusions

93. On the recommendation of Working Group II, the Committee, at its 7th plenary meeting on 2 September, decided to defer consideration of the maintenance of the interim arrangements referred to in Article 21, para. 3, to its eleventh session.

C. Provision to developing country Parties of technical and financial support

1. Proceedings

94. Working Group II considered sub-item 4 (c) at its 6th meeting, on 25 August, and at its 14th meeting on 1 September. It had before it a note by the interim secretariat entitled "Climate Convention Cooperation Programme" (A/AC.237/75) which was introduced by a representative of the interim secretariat and by representatives of UNDP, UNEP and UNITAR, co-authors of different parts of the note.

95. Statements were made by representatives of 16 States, including one on behalf of the European Community and its member States. Representatives generally welcomed progress on the joint information exchange programme (CC:INFO) carried out by the interim secretariat and UNEP, and formerly known as Climex, and on the joint training programme (CC:TRAIN) carried out by UNITAR and the interim secretariat. They commended the utility of both these programmes. One representative commented on the positive experience of being involved in the pilot phase of CC:TRAIN. Some representatives requested information on how to participate in these programmes.

96. Representatives welcomed the concept and general objectives of the Climate Convention Cooperation Programme (CC:COPE), namely, to promote coordinated action by multilateral and bilateral technical assistance agencies in response to the Convention. Some representatives sought and obtained clarification from the interim secretariat concerning the role of the GEF secretariat in the development of the concept. A few representatives expressed concern that the interim secretariat should not exceed the mandate to facilitate and provide technical support, on request, indicated in Articles 8 and 12.7 of the Convention.

2. Conclusions

97. On the recommendation of Working Group II, the Committee, at its 7th plenary meeting on 2 September, agreed on the following conclusions regarding sub-item 4 (c):

98. The Committee noted with satisfaction the progress achieved on CC:INFO and requested the interim secretariat and UNEP to continue their efforts to update the data base on a regular basis, to improve modes of dissemination (e.g., electronic means, Internet), to increase the variety of information contained within CC:INFO, and to report on further progress to its eleventh session.

99. The Committee noted with satisfaction the progress achieved on CC:TRAIN and looked forward to the outcome of the evaluation due later in 1994 as part of the preparations for the second phase of that programme. The Committee requested the interim secretariat and UNITAR to continue their efforts to complete the pilot phase of the programme; to prepare, in the light of the evaluation, a full proposal for the second phase; and to report on further progress to its eleventh session. The Committee welcomed the proposal that the second phase of CC:TRAIN should include hispanophone and francophone countries.

100. The Committee supported the objectives of CC:COPE mentioned in document A/AC.237/75, stressed the importance of providing timely financial assistance related to these objectives to developing country Parties on request, and recognized the need for cooperation and coordination among agencies in the design and delivery of such assistance. This is particularly relevant to the preparation of national communications under Article 12.1 of the Convention.

101. The Committee noted that CC:COPE was intended by its authors to meet these needs through the provision of coordinated assistance, particularly to developing country Parties, for the implementation of enabling activities for capacity building, which have been identified as a priority by the Committee.

102. The Committee requested the Executive Secretary to continue his consultations with the Chief Executive Officer of the GEF and with other donors, as well as with its partners in CC:COPE, to explore how proposals corresponding to the objectives in document A/AC.237/75 could be developed for implementation and funding, and to report to its eleventh session on progress achieved and on any difficulties encountered.

VII. PROCEDURAL AND LEGAL MATTERS

A. Rules of procedure of the Conference of the Parties and of the subsidiary bodies established by the Convention

1. Proceedings

103. The Committee considered sub-item 5 (a) at its 2nd and 6th plenary meetings, on 24 August and 1 September, respectively. The Committee had before it documents A/AC.237/58 and A/AC.237/WG II/L.8, that were introduced at the 2nd plenary meeting by the representative of the interim secretariat. The latter brought to the attention of the Committee a suggestion by the interim secretariat to improve the wording of Rule 28 of the draft rules of procedure.

104. At the same meeting, the Chairman expressed the view that, although it was unlikely that a perfect set of rules of procedure could be drafted, the rules contained in document A/AC.237/WG II/L.8 reflected the overall needs of the Conference of the Parties and its subsidiary bodies. He also said that he found acceptable the changes to draft rule 28, suggested by the interim secretariat.

105. Also at the same meeting, statements were made by the representatives of 13 States, including one on behalf of the Group of 77 and China and another on behalf of the European Community and its member States.

106. Informal consultations on the draft rules of procedure were conducted by the Vice-Chairman of the Committee, Mr. T.P. Sreenivasan.

107. The Committee considered sub-item 5 (a) further at its 6th plenary meeting, on 1 September 1994.

108. The Vice-Chairman, Mr. T. P. Sreenivasan, reported to the Committee on the outcome of the informal consultations he had conducted on 29 and 31 August 1994. He introduced document A/AC.237/L.22, informing the Committee that the document reproduced only those

draft rules of procedure containing revisions differing from document A/AC.237/WG.II/L.8, and emphasizing that the entire set of draft rules of procedure remained open for further discussion by the Committee.

109. The Vice-Chairman expressed his confidence that the rules of procedure not produced in the present document enjoyed a degree of consensus. In his opinion, Rule 42 on "Voting" was the major issue to be resolved. The Vice-Chairman read out two amendments to document A/AC.237/L.22 which would be included in a revised version of the document. He recommended continuing discussions on the draft rules of procedure at the eleventh session of the Committee in plenary and with interpretation.

110. Statements were made by the representatives of 3 States, including one on behalf of the Group of 77 and China, reserving the position of those States with regard to the entire text of the draft rules of procedure. One representative requested that the text that his delegation had submitted to the interim secretariat concerning Rule 4 on the "Dates of Sessions" be included in the revision of document A/AC.237/L.22.

2. Conclusions

111. The Committee, at its 6th plenary meeting, on 1 September, decided to continue its consideration of the draft rules of procedure at its eleventh session. The Chairman invited the Vice-Chairman of the Committee, Mr. T. P. Sreenivasan, to be available to conduct the consultations on this item at that session.

B. Consideration of the establishment of a multilateral consultative process for the resolution of questions regarding implementation (Article 13)

1. Proceedings

112. The Committee considered sub-item 5 (b) at its 2nd plenary meeting, on 24 August. It had before it document A/AC.237/59, that was introduced by the representative of the interim secretariat. The latter indicated that the interim secretariat was preparing an addendum to the document that would review several non-compliance and dispute procedures. The addendum would be circulated to delegations before COP 1.

113. Statements were made by the representatives of 6 States, including one on behalf of the European Community and its member States. Several made comments on the secretariat document and its scope. One representative informed the Committee that his Government was preparing a paper on the topic that would be circulated to delegations before COP 1. A number of representatives requested that background papers on the topic, that had been prepared by delegations prior to the adoption of the Convention, be circulated to all delegations prior to COP 1.

2. Conclusions

114. At its 7th plenary meeting, on 2 September, the Committee decided to conclude its consideration of this item and to recommend to the Conference of the Parties at its first session that it establish an ad hoc and open-ended working group of technical and legal experts to study all issues relating to the establishment of a multilateral consultative process and its design, and to report its findings to the Conference of the Parties at its second session.

VIII. INSTITUTIONAL MATTERS

Designation of a permanent secretariat and arrangements for its functioning; and financial rules of the Conference of the Parties and of the subsidiary bodies established by the Convention

1. Proceedings

115. The Committee considered these sub-items together at its 3rd, 4th and 6th plenary meetings, on 26 August and 1 September, on the basis of a report by the interim secretariat (A/AC.237/60 and Add.1), which was introduced by the Executive Secretary at the 3rd plenary meeting. At that meeting, the Chairman recalled the statement by the Executive Director of UNEP at the 1st plenary meeting offering UNEP's services in support of the permanent secretariat. Statements were also made on behalf of the Administrator of UNDP and the Under-Secretary-General for Policy Coordination and Sustainable Development, outlining the contributions that their respective institutions could make in hosting or providing other support for the permanent secretariat. In their statements, UNEP and UNDP both referred to the possibility of hosting the permanent secretariat in collaboration with each other. In addition, the representative of WMO provided further details of the offer by that organization to provide accommodation to the permanent secretariat.

116. The representative of Germany conveyed the offer of his Government to host the permanent secretariat, and said that it would provide further details regarding its offer prior to the next session of the Committee. The representative of Switzerland also conveyed his Government's offer to host the permanent secretariat free of charge, at least through 1997; to make office space available to least developed countries not represented in Geneva; and to commit resources to the Convention secretariat additional to those deriving from its obligations as a Contracting party. The representative of Uruguay reiterated the offer of his Government to host the permanent secretariat free of rent and specified that the offer would include adequate privileges and immunities; a building with about 2,000 square metres of office space; three conference rooms with provision for simultaneous interpretation in six languages, and space for libraries and for reproduction and distribution of documents. This offer did not limit consideration of other institutional and material contributions that might be required. Following

a statement by the representative of UNEP, the representative of Kenya urged that the secretariat be located at UNEP headquarters in Nairobi, in co-location with other Convention secretariats, and conveyed the offer of his Government to host the permanent secretariat, stating that details of that offer would be provided to the Committee in due time.

117. Statements were made by representatives of 20 States, including one on behalf of the European Community and its member States.

118. As regards possible institutional linkages, a number of representatives discussed the issues raised in the note by the interim secretariat and expressed various views regarding those linkages. A number of representatives underlined the possible benefits of a linkage to DPCSD, while others recalled the significant role played by UNEP in supporting environment-related conventions. It was noted in this regard that DPCSD, UNEP and UNDP had all conveyed assurances of support to the work of the permanent secretariat, regardless of the institutional linkage to be finally decided. There was general agreement on the need to preserve the autonomy of the permanent secretariat, regardless of its institutional host, and to promote high professional competence, cost-effectiveness, coordination and continuity in secretariat activities. Some delegations requested further information on the possible financial implications of different possible institutional linkages.

119. With respect to financial rules, a number of representatives expressed a strong preference for financing the Convention and its secretariat through assessed contributions, in order to assure adequate and predictable funding. Several representatives supported using for this purpose the new scale of assessments to be adopted by the United Nations General Assembly at its forthcoming forty-ninth session. One representative considered that the scale of contributions should reflect the principle of common but differentiated responsibilities of Parties. A few representatives suggested the possibility of funding the permanent secretariat from the regular UN budget. One representative said that his government could accept only a voluntary approach to funding, possibly using an indicative scale of contributions with a cap of 25 per cent on any single contribution. Several representatives expressed interest in the concept of establishing a working capital fund for the permanent secretariat, as well as in making contributions to the IPCC in return for requested services. A few representatives asked that, at the next session, further details be given in support of the indicative levels of funding mentioned in the note of the permanent secretariat.

120. As regards the physical location of the permanent secretariat, a number of relevant factors were identified, including efficiency, coordination and access by Governments. Several representatives expressed strong support for physical co-location of the permanent secretariat of the Convention with the secretariats of the other two conventions related to the UNCED process, that is, the Convention on Biological Diversity and the Convention to Combat Desertification, noting the benefits of co-location in promoting synergy and efficiency. Several other representatives noted the benefits of decentralization, political equity and regionalization; one of these expressed a preference for co-locating the permanent secretariat with other related

secretariats in a developing country. One representative suggested that a comparative analysis of offers would be facilitated by the preparation of a simple questionnaire to be completed by potential host Governments. Appreciation was expressed for the political commitment to the Convention signified by the four offers by States to host the permanent secretariat.

121. The representative of UNDP clarified some issues raised during the discussion on this item, and the Executive Secretary responded, on his own behalf and on behalf of the Under-Secretary-General for Policy Coordination and Sustainable Development, to questions posed and issues raised.

2. Conclusions

122. At its 4th plenary meeting, on 26 August 1994, the Committee approved a proposal by the Chairman to establish an intersessional contact group for further consideration of matters arising under this item.

123. At its 6th plenary meeting, on 1 September, the Chairman stated that, in accordance with the decision referred to in paragraph 122 above, he had established a Contact Group composed of the five members of the Bureau, representing the five regional groups. The objective of the Contact Group would be to facilitate consideration of these items and consultation thereon. In gathering and analysing information and views, it would, of course, not constrain in any manner the consideration thereof by the Committee itself. He further stated that the Contact Group had held its first meeting on 30 August 1994 and had reached the following conclusions:

Institutional linkages

(a) The Contact Group, noting the complementarity of the mandates and capacities of the three bodies identified as possible hosts and the overall organizational structure of the United Nations, requested the Chairman to invite the Secretary-General of the United Nations to advise the Committee, at its eleventh session, on an institutional arrangement for the permanent secretariat which would:

(i) Enable the head of that secretariat to promote collaboration and synergy between the permanent secretariat and DPCSD, UNDP and UNEP, as well as with related specialized agencies, departments and convention secretariats;

(ii) Be cost-effective, economical and financially supportive;

(iii) Ensure efficient administrative support from a United Nations department or programme at the lowest possible cost in a manner that would allow for adequate managerial autonomy and flexibility, as well as for the accountability of the head of the permanent secretariat to the Conference of the Parties.

(b) The Contact Group would consider the Secretary-General's views in advance of the eleventh session and report thereon to the Committee. Meanwhile, it would defer further study of the possible option of an entirely independent secretariat.

Financial rules

(c) The Contact Group requested the interim secretariat to provide, for consideration of the Committee at its eleventh session, further suggestions related to financial procedures. These would include possible procedures for cost-sharing of the expenses of the permanent secretariat, on the basis of a scale of contributions which would reflect, inter alia, the principle of common but differentiated responsibility, and also for the adoption of the budget on a consensus basis. The interim secretariat was also requested to prepare a budget outline showing the possible functions and estimated cost of the permanent secretariat for the year 1996, on the assumption that the entire cost of the secretariat would be met by the Parties to the Convention. It was understood that the participation of developing countries would as heretofore be covered by a separate voluntary fund.

Physical location

(d) The Contact Group considered that it would be useful if the Governments of Germany, Kenya, Switzerland and Uruguay, as well as any other potential host Government, would provide to the interim secretariat, by 30 September 1994, financial and physical details of their offer, in order for the secretariat, on the basis of the information thus received, to compile it in a comparative manner and submit it to the Contact Group, which would forward its views to the Committee. This compilation would also be communicated to member States.

124. The Committee recognized that the three issues involved - institutional linkages, financial rules and physical location - would need to be further considered at its eleventh session, in the light of the views expressed on these subjects at the ninth and tenth sessions. In this regard, the Committee considered that it was essential that decisions on these matters be taken by the Conference of the Parties at its first session.

125. In the meantime, the Committee took note with great satisfaction of the new offers from Germany and Kenya and of the elaboration by Switzerland and Uruguay of the offers they had made at the ninth session. The Committee also noted with appreciation the offer of

accommodation from WMO. It was most appreciative of the statements made on behalf of the United Nations Department for Policy Coordination and Sustainable Development, the United Nations Development Programme and the United Nations Environment Programme regarding possible institutional linkages between the permanent secretariat of the Convention and those three entities.

126. Also at its 6th plenary meeting on 1 September 1994, the Committee, taking into account the views expressed during the debate, endorsed the approach proposed by the Contact Group, as set out in paragraph 123 above, and requested the Contact Group to report on these matters to the Committee at its eleventh session.

IX. REVIEW OF THE ACTIVITIES OF THE INTERIM SECRETARIAT, INCLUDING REVIEW OF EXTRABUDGETARY FUNDS

1. Proceedings

127. The Committee considered this item at its 3rd plenary meeting, on 26 August. The Executive Secretary introduced a note (document A/AC.237/61) containing information on the current activities of the interim secretariat, administrative and budgetary matters, including staffing, and the need for contributions to the two extrabudgetary funds established by General Assembly resolution 45/212, paras. 10 and 20, namely, the special voluntary fund for participation and the trust fund for the negotiating process. In doing so, he updated information provided in that note, in particular with respect to contributions to both funds.

128. While thanking contributors to these funds, he expressed his regret that, once again, the insufficiency of funding for participation had made it necessary to reduce the number of countries funded at the present session. He noted that financial support had been offered to delegates from 95 countries and that 80 countries had taken advantage of this offer. He stressed that a further US$1.7 million were needed to support participation in meetings in 1995, observing that this estimate might have to be revised upwards in the light of the schedule of meetings of subsidiary bodies.

129. With respect to the operational costs of the interim secretariat, the Executive Secretary drew attention to the estimate of US$2.5 million needed as contributions to the trust fund for the negotiating process to maintain the present level of secretariat activities until 30 June 1995.

130. Statements were made by representatives of 7 States. The representative of France announced a contribution of approximately US$200,000 to be made late in 1994 and another contribution of the same order of magnitude in 1995. The representative of Australia noted that her Government continued to provide assistance to developing island countries in the South Pacific, inter alia, for participation in the work of the Committee. The representative of a developing country expressed concern at the uncertainty over the future of the UNEP/WMO Information Unit on Climate Change and support for the work being carried out under the

CC:TRAIN programme. Two representatives of developing countries asked for information concerning the geographical composition of the staff of the interim secretariat; this was provided by the Executive Secretary, who also replied to other questions raised in the discussion.

2. Conclusions

131. At its 7th plenary meeting, on 2 September, the Committee:

(a) Took note of the information presented in document A/AC.237/61 and commended its presentation;

(b) Took note with appreciation of the work of the interim secretariat in support of the Committee and of the implementation of the Convention;

(c) Took note with appreciation of the extrabudgetary support provided for participation in the Committee's work and for the activities of the interim secretariat, including the provision of rent-free premises by the Government of Switzerland;

(d) Supported the efforts of contributors and the secretariat in mobilizing extrabudgetary funds and appealed for new contributions on an increased scale, commensurate with growing needs;

(e) Endorsed the efforts of the Executive Secretary to maintain an appropriate geographical balance in the composition of staff and to provide contractual security to staff, within the limits of available funds.

X. ARRANGEMENTS FOR THE FIRST SESSION OF THE CONFERENCE OF THE PARTIES, INCLUDING AGENDA AND ORGANIZATION OF WORK

1. Proceedings

132. At the 5th plenary meeting, on 29 August, the representative of the interim secretariat introduced a note (A/AC.237/62) containing information on the preparations for hosting the first session of the Conference of the Parties (COP 1), the possible organization of work concerning the session and a list of possible elements for a provisional agenda for the first session of the Conference of the Parties.

133. Statements were made on this item by representatives of 8 States, commenting on the proposals in the note by the interim secretariat and in particular on the list of possible elements for a provisional agenda for COP 1. The representative of the interim secretariat replied to questions posed during the discussion on this item and clarified certain issues raised therein.

134. The representative of Germany informed the Committee that arrangements for hosting COP 1 were underway. He expressed the hope that an agreement between his Government and the United Nations would be concluded before the end of the year, and stated that his Government would provide more information to the participants at the eleventh session of the Committee.

2. Conclusions

135. At its 5th plenary meeting, on 29 August, the Committee decided to recommend to the Conference of the Parties that its first session be organized in two segments: a segment at the level of senior officials, from 28 March to 4 April 1995, during which Parties could advance negotiations on any issues that were not resolved at the eleventh session of the Committee and prepare draft decisions thereon; and a ministerial segment, from 5 to 7 April 1995, during which the COP would finalize discussions and adopt decisions.

136. The Committee further recommended that the chairmen and other officers of the subsidiary bodies be elected during COP 1 and that preliminary informal consultations on the election of all officers, including officers of the subsidiary bodies, be conducted by the Chairman of the Committee during and between the tenth and eleventh sessions of the Committee, taking into account that the composition of the Bureau of the COP was still under negotiation.

137. Owing to the wide range of matters that are to be decided by the COP, and in order to ensure effective participation of Parties during COP 1, the Committee agreed to recommend that Parties include in their delegations, in accordance with their capacities, representatives with expertise in the various economic, social, scientific and environmental fields that are relevant to the objectives of the Convention.

138. The Committee requested the Executive Secretary to revise the list of possible elements for the provisional agenda for COP 1, in consultation with the Chairman and the Bureau, in accordance with the normal practice and in the light of the outcome of the tenth session of the Committee, and to include in that list an item on the work plan for the subsidiary bodies and another on review of the list of countries included in Annex I to the Convention, in accordance with Article 4.2(f).

139. The interim secretariat was requested to inform the Committee at its eleventh session of the intergovernmental and non-governmental organizations that would by then have expressed their wish to be represented at COP 1 as observers.

140. The Committee noted that, in accordance with paragraph 15 of General Assembly resolution 47/195 of 22 December 1992, the special voluntary fund for participation, established under paragraph 10 of General Assembly resolution 45/212, would be maintained up to COP 1. The Committee further noted that, consequently, new provision would need to be made for the continuation of such funding beyond COP 1.

141. The Committee decided to defer to its eleventh session consideration of the need to allocate any tasks to sessional bodies during COP 1.

XI. ADOPTION OF THE REPORT AND CLOSURE OF THE TENTH SESSION

142. At the 7th plenary meeting, on 2 September, the Rapporteur presented the draft report of the session to the Committee (A/AC.237/L.21 and Add 1-2 and documents A/AC.237/WG.I/L.20, L.21, L.22, L.23 and L.24). The Committee considered and adopted the draft report as orally amended. It requested the Rapporteur, with the assistance of the interim secretariat and under the guidance of the Chairman, to complete the report, taking into account the discussions of the Committee and the need for editorial adjustments.

143. Closing statements were made by the representatives of Germany, on behalf of the European Community and its member States, Algeria on behalf of the Group of 77 and China, and Zimbabwe on behalf of the African Group, and by the Executive Secretary, following which the Chairman thanked all participants for their contributions and closed the session.

Notes

1/ This term should be taken, in this document, to include the regional economic integration organization listed in Annex I to the Convention.

Annex I

RECOMMENDATION TO THE CONFERENCE OF THE PARTIES AND DECISIONS ADOPTED BY THE COMMITTEE AT ITS TENTH SESSION

A. Recommendation to the Conference of the Parties

INC/FCCC/Recommendation 1. The report on implementation

The Intergovernmental Negotiating Committee for a Framework Convention on Climate Change,

Recalling that the Conference of the Parties shall, in accordance with Article 7.2(f) of the United Nations Framework Convention on Climate Change, consider, adopt and publish regular reports on the implementation of the Convention,

Considering that the publication and dissemination of information to a wide audience would help achieve the objectives of Article 6 and mobilize opinion in support of the implementation of the Convention,

Recalling also its mandate to prepare for the first session of the Conference of the Parties pursuant to General Assembly resolution 47/195,

Recommends that the Conference of the Parties adopt the following decision:

(Draft decision of COP 1)

The report on implementation

The Conference of the Parties at its first session,

Recalling that the Conference of the Parties shall, in accordance with Article 7.2(f) of the United Nations Framework Convention on Climate Change, consider, adopt and publish regular reports on the implementation of the Convention,

Considering that the publication and dissemination of information to a wide audience would help achieve the objectives of Article 6 and mobilize opinion in support of the implementation of the Convention,

Having considered the recommendation of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change contained in document . . .,

1. Decides that the report on implementation will be a public information document designed for the informed public;

2. Decides that the first report on implementation will be published after the conclusion of, and reflecting the results of, the first session;

3. Requests the secretariat to draft, and to publish as soon as possible, the report on implementation drawing on the decisions of, and the texts of the documents considered by, the Conference of the Parties, taking account of the discussions at the session, and presenting the content of the report in a style appropriate for public information and outreach; and

4. Decides to review the results of this decision at its second session and to consider at that time the scheduling of subsequent reports.

B. Decisions adopted by the Committee

Decision 10/1. First review of information communicated by each Party included in Annex I to the Convention

The Intergovernmental Negotiating Committee for a Framework Convention on Climate Change,

Recalling its mandate to prepare for the first session of the Conference of the Parties (COP 1) pursuant to General Assembly resolution 47/195;

Recalling also that the Conference of the Parties will, at its first session, review the information communicated by Annex I Parties in accordance with Articles 4.2(b) and 12; and

Further recalling its decision to carry out, on an interim basis and at its eleventh session, the tasks listed, inter alia, in Article 4.2(b);

1. Decides:

(a) That a compilation and synthesis of the available national[1/] communications from Annex I Parties, following an initial technical analysis of the communications, should be prepared for consideration by the Committee at its eleventh session and for subsequent submission to COP 1. The compilation and synthesis should be based on the indicative outline contained in annex I to this decision and should not duplicate the content of other documents prepared for the eleventh session;

[1/] This term includes communications from the regional economic integration organization included in Annex I to the Convention.

(b) To recommend provisionally to COP 1 that it adopt the draft decision on the review of first communications from Annex I Parties contained in annex II to the present decision;

(c) To initiate the in-depth review of national communications, to the extent possible, prior to COP 1, based on the procedures and modalities outlined in the draft decision by COP 1 referred to in sub-paragraph (b) above.

2. Requests the interim secretariat, drawing on the assistance of selected experts nominated by member States[2/] and, as appropriate, intergovernmental[3/] organizations and pursuant to an initial technical analysis of the communications, to prepare the compilation and synthesis referred to in paragraph 1(a) above, drawing upon Annexes A, B and C of document A/AC.237/63/Add.1 as well as technical comments made during the discussion on those annexes. The experts shall be selected to ensure a balance of skills, expertise, environmental and developmental perspectives, and the necessary geographic balance.

3. Invites:

(a) All member States to provide to the interim secretariat the names and curricula vitae of experts who might be selected to assist the secretariat in the preparation of the compilation and synthesis of the national communications and to participate in any initial in-depth review teams;

(b) Intergovernmental organizations to make contributions of experts and/or resources, where possible, to assist the interim secretariat in undertaking the review of national communications under the Convention;

(c) Member States to make voluntary financial contributions to the trust fund for the negotiating process to enable the implementation of this decision, and specifically for the institutional strengthening of the secretariat;

(d) Those Parties that have not identified, in their communications, measures that appear to them to be particularly innovative and potentially replicable to transmit this information to the interim secretariat;

2/ The term member States in this decision should be taken to include the regional economic integration organization included in Annex I to the Convention.

3/ The term intergovernmental organizations is intended to refer to those international organizations whose members are governments.

(e) The countries included in Annex I to the Convention, supported by the secretariats of the Organisation for Economic Co-operation and Development and the International Energy Agency, and the Intergovernmental Panel on Climate Change (IPCC), to continue their valuable work in this area.

4. Further invites Annex I Parties to volunteer as candidates for initial in-depth reviews of their national communications in advance of a decision by COP 1.

5. Further requests the interim secretariat to prepare, for consideration by the Committee at its eleventh session, a short note and proposals regarding the periodicity of further communications by Annex I Parties as well as the modalities for the consideration by the subsidiary bodies of in-depth review reports and individual communications, taking into account any further comments which Parties or other member States may have transmitted to the interim secretariat before 15 October 1994. Documents that have been or will be submitted to the interim secretariat may, upon request by the submitting country or organization, be issued by the interim secretariat in the original language only, and distributed to all delegations.

Annex I to decision 10/1

Outline of the first compilation and synthesis of national communications

I. Overall achievements and highlights

II. Introduction:

- A. Purpose of the report
- B. General considerations (including national circumstances)

III. Synthesis of the information provided in the national communications:

- A. Context for compilation and synthesis
- B. Inventories of anthropogenic emissions and removals in 1990
  - (a) methodological issues and approaches (such as key assumptions, use of GWPs, models used);
  - (b) CO_2;
  - (c) CH_4;
  - (d) N_2O;
  - (e) other greenhouse gases;
  - (f) emissions by international bunkers and civil aviation;
  - (g) summary conclusions.

C. Policies and measures being implemented by Parties to limit anthropogenic emissions and protect and enhance sinks and reservoirs of greenhouse gases:

(a) by sector and by gas;
(b) by policy instrument and by gas;
(c) measures under consideration or requiring international cooperation;
(d) measures that appear to the Party applying them particularly innovative and are potentially replicable;
(e) identification of successful partnerships;
(f) summary conclusions.

D. Projections and effects of policies and measures adopted by Annex I Parties:

(a) methodological issues and approaches used (such as key assumptions, models used);
(b) projected anthropogenic emissions and removals in 2000, and, if available, to 2000, of CO_2, CH_4, N_2O and other GHG (by Party, with reference to 1990 levels);
(c) estimate of total effects of policies and measures on GHG emissions and removals;
(d) summary conclusions including on the overall effects of policies and measures.

E. Finance, technology and capacity building:

(a) contributions by Annex II Parties to:

- the interim operating entity of the financial mechanism in its two phases
- other multilateral programmes
- regional and bilateral programmes;

(b) technology transfer and cooperation;
(c) capacity building.

F. Implementation of other commitments of the Convention:

(a) expected impacts of climate change;
(b) vulnerability assessment;
(c) adaptation measures;
(d) cooperation in preparing for adaptation;
(e) research and systematic observation;
(f) education, training and public participation;

(g) integration of climate change concerns in national policies;
(h) coordination efforts and review of policies to limit anthropogenic emissions and protect and enhance sinks and reservoirs of greenhouse gases.

G. Special considerations:

- General discussion of cases in which provisions in Articles 4.6 and 4.10 were applied

IV. General assessment of the process for the first review of national communications to date:

A. Identification of information gaps and problem areas

B. Usefulness of Guidelines, as reflected in communications (particularly with respect to comparability, completeness and transparency)

C. The experience of preparing the first compilation and synthesis of Annex I communications (including consideration of the reliability of internationally available data)

D. Recommendations for improvement in the process

Annexes to the first compilation and synthesis of national communications

I. List of international authoritative sources of information used
II. List of Annex I Parties which have ratified the Convention and have submitted communications

Annex II to decision 10/1

(Draft decision of the COP)

The review of first communications from the Parties included in Annex I to the Convention

The Conference of the Parties at its first session,

Recalling the relevant provisions of the Convention, in particular Articles 4.2(a), (b) and (d), 7.2(a), (d) and (e), 9.2(b) and 10.2; and

Having considered the recommendation of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change contained in document . . . .

1. Adopts the statement of purpose of the review process attached as appendix I to this decision and the description of tasks of the review attached as appendix II.

2. Decides:

(a) That each national communication submitted by an Annex I Party should be subject to an in-depth review as soon as possible, but within one year of receipt by the secretariat, with the aim of completion by the second session of the COP (COP 2). Such in-depth reviews should be carried out by expert review teams, under the authority of the Subsidiary Body for . . . ;

(b) That the review teams should be coordinated by a representative of the secretariat and composed of experts selected from those nominated by Parties and, as appropriate, by intergovernmental organizations as described in paragraph 4 (b) below. Experts nominated by Parties should, to the extent possible, constitute a majority of each team;

(c) That the review teams should conduct their work through in-depth "paper" reviews, guided by the purpose and tasks of the review referred to in paragraph 1 above, drawing upon Annexes A, B and C of document A/AC.237/63/Add.1. If deemed helpful, visits to clarify the communications, with the prior approval of the Party concerned, might also be useful;

(d) That each review team should produce, under its collective responsibility, a report on each in-depth review of a national communication, written in non-confrontational language, and submit it to the Subsidiary Body for . . . . Such review reports should be based on the indicative outline contained in appendix III to this decision. They would be approximately ten pages in length and should include a summary. A draft of the review report should be provided to the Party being reviewed and, as a general rule, revised to reflect any comments the Party might have. Should the Party and the review team be unable to agree on the treatment of a comment, the secretariat will ensure that the comments of the Party are incorporated within a separate section of the summary of the review report. The summary of the review report should be distributed by the secretariat to all Parties and accredited observers to the COP. Copies of the full review report will be available on request;

(e) That the Subsidiary Body for . . . should consider the in-depth review reports;

(f) To make the necessary arrangements to finance the review process in the budget for the permanent secretariat.

3. Invites:

(a) Parties to contribute to the review process by nominating experts for selection to participate in the review teams and to otherwise assist the secretariat as required;

(b) Parties to make voluntary contributions to the trust fund for the negotiating process to support the implementation of this decision until the budget of the permanent secretariat is established;

(c) Intergovernmental organizations to make contributions of experts and/or resources, where possible, to assist the secretariat in undertaking the review of national communications under the Convention.

4. Requests the secretariat:

(a) To coordinate and facilitate the review process described in paragraph 2 above, including the organization of the in-depth reviews of individual national communications;

(b) To select, under the guidance of the Chairman of the Subsidiary Body for . . . , the members of the in-depth review teams from among the names provided by the Parties and intergovernmental organizations, ensuring a balance of skills and expertise, of environmental and developmental perspectives and the necessary geographic balance among team members. It should also ensure that such experts do not participate in reviews of the national communications from their own country;

(c) To prepare a second compilation and synthesis of first national communications, taking into account available review reports of individual national communications, for consideration by the Subsidiary Body for . . . and by COP 2;

(d) To examine means to facilitate the exchange and sharing of information among Parties, including fora where a general and further analysis of specific and common aspects of national communications could be undertaken.

Appendix I to Annex II to decision 10/1

The purpose of the review of first communications from Annex I Parties

The review should provide a thorough and comprehensive technical assessment of the implementation of the Convention commitments by individual Annex I Parties and Annex I Parties as a whole. Its purpose is to review, in a facilitative, non-confrontational, open and transparent manner, the information contained in the communications from Annex I Parties to ensure that the Conference of the Parties (COP) has accurate, consistent and relevant information at its disposal to assist it in carrying out its responsibilities, inter alia,:

(a) To assess the implementation of the Convention by the Parties, the overall effects and cumulative impacts of the measures taken and the extent to which progress towards the objective of the Convention is being achieved (Articles 7.2(e), 4.2(a) and (b) and 10.2(a));

(b) To contribute to the reviews by the COP of the adequacy of commitments and to its decisions on follow-up action (Articles 10.2(b) and 4.2(d));

(c) To periodically examine the obligations of the Parties under the Convention (Article 7.2(a));

(d) To periodically examine the institutional arrangements under the Convention (Article 7.2(a));

(e) To promote and guide the development and refinement of methodologies (Article 7.2(d)); and

(f) To promote and facilitate the exchange of information on measures adopted by the Parties (Article 7.2(b)).

Appendix II to Annex II to decision 10/1

The tasks of the review of first communications from Annex I Parties

The review process should undertake six major tasks:

1. Review key qualitative information and quantitative data points contained in national communications.

2. Review policies and measures described in national communications.

3. Assess the information contained in national communications against FCCC commitments and assess the extent to which the progress toward the objective of the Convention is being achieved.

4. Describe expected progress in the limitation of emissions by sources and enhancement of removals by sinks of greenhouse gases, on the basis of information contained in national communications.

5. Describe expected progress in cooperation to prepare for adaptation.

6. Aggregate data across national communications with respect to inventories, projections, effects of measures and financial transfers but without adding up the individual national totals for projections and the effects of measures.

Appendix III to Annex II to decision 10/1

Outline for review reports from in-depth reviews of individual national communications

I. Introduction and Summary

- FCCC ratification date
- date of receipt of national communication
- dates of review and dates of comment period
- members of the review team
- national circumstances
- summary and findings
    - * compliance with Guidelines
    - * review of key data points
    - * approach to greenhouse gas mitigation
    - * expected progress in greenhouse gas mitigation
    - * approach to adaptation
    - * expected progress on adaptation
    - * implementation of FCCC commitments
    - * summary of comments offered by the country (when not reflected in the text)

II. Inventories of anthropogenic emissions and removals

- implementation of FCCC commitments
- approaches used
- CO_2 - review of key data points
- CH_4 - review of key data points
- N_2O - review of key data points
- Other gases - review of key data points

III. Policies and measures

- implementation of FCCC commitments
- overview of measures by gas, sector and policy instrument
- effects of individual measures, where possible
- policies and measures under consideration or requiring international cooperation

IV. Projections and effects of policies and measures

- implementation of FCCC commitments
- approaches used
- review of key data points

V. Projected progress in greenhouse gas mitigation

VI. Expected impacts of climate change

VII. Adaptation measures

- implementation of FCCC commitments

VIII. Financial assistance and technology transfer

- review of key data points
- implementation of FCCC commitments

IX. Research and systematic observation

- implementation of FCCC commitments

X. Education, training and public awareness

- implementation of FCCC commitments

Decision 10/2. The roles of the subsidiary bodies established by the Convention

The Intergovernmental Negotiating Committee for a Framework Convention on Climate Change,

Decides:

1. To adopt, on a provisional basis, the attached recommendation to the Conference of the Parties at its first session (COP 1) on the subsidiary bodies established by the Convention.

2. To consider further at its eleventh session the recommendation, in the light of recommendations on relevant items including the process for the first review of information communicated by Annex I Parties, the review of the adequacy of commitments, criteria for joint implementation and the financial mechanism, including issues related to incremental costs, as well as further documentation provided by the interim secretariat, and modify it as appropriate.

3. To request the interim secretariat to prepare documentation for consideration by the Committee at its eleventh session on the issues in paragraph 2 above, as well as proposals for a programme of work for the first sessions of the subsidiary bodies and venues for their sessions prior to the second session of the Conference of the Parties including considerations in relation to workload and programme management, as well as on the related financial and staffing implications in the context of the overall budgetary planning for the functioning of the secretariat.

Annex I to decision 10/2

(Provisional recommendation to the COP)

The subsidiary bodies established by the Convention

The Intergovernmental Negotiating Committee for a Framework Convention on Climate Change,

Recalling its mandate to prepare for the first session of the Conference of the Parties (COP 1) pursuant to General Assembly resolution 47/195,

Recalling also Articles 9 and 10 of the United Nations Framework Convention on Climate Change establishing, respectively, the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI),

Recalling further its preparatory work on the roles of the subsidiary bodies as reflected in documents A/AC.237/24, A/AC.237/41, A/AC.237/55 and A/AC.237/76,

Recommends that the Conference of the Parties adopt the following decision:

(Draft decision of the COP)

The subsidiary bodies established by the Convention

The Conference of the Parties at its first session,

Recalling Articles 9 and 10 of the United Nations Framework Convention on Climate Change establishing, respectively, the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI),

Having considered the recommendation of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change contained in document ....,

Noting that the roles of the subsidiary bodies can be broadly characterized as follows:

- The SBSTA will be the link between the scientific, technical and technological assessments and the information provided by competent international bodies, and the policy-oriented needs of the Conference of the Parties (COP);

- The SBI will develop recommendations to assist the COP in its assessment and review of the implementation of the Convention and in the preparation and implementation of its decisions,

1. Decides that, subject to future reconsideration, the functions of the SBSTA and the SBI will be as outlined in appendix I to this decision, which appendix builds upon Articles 9 and 10 of the Convention and recommendations from the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change. In carrying out these functions, the subsidiary bodies may be assisted, in accordance with rule 27 of the rules of procedure, by such technical advisory panel(s) as are deemed necessary, in particular to provide scientific and technological advice including on related economic aspects and on specific practices.

2. Requests the SBSTA to undertake the tasks described in appendix II.1 to this decision, as well as the tasks placed on it by decision [COP 1/..], and report on its work to the second session of the Conference of the Parties (COP 2).

3. Requests the SBI to undertake the tasks described in appendix II.2 to this decision, as well as the tasks placed on it by decision [COP 1/..], and report on its work to COP 2.

4. Requests both bodies to develop proposals on their longer-term activities and organizational arrangements, including any adjustments to the functions and/or allocation of work, scheduling and periodicity of sessions, taking due account of the financial and support implications, and to report accordingly to COP 2.

5. Invites the officers of the SBSTA and SBI to play an active role in preparing for the substantive sessions of these bodies, with the support of the secretariat.

6. Requests the secretariat to make arrangements for sessions of both subsidiary bodies according to the following schedule. When possible, these sessions should be held consecutively, starting with the SBSTA, and would last for a week.

(a) Three sessions for the SBSTA in:

- September/October 1995 to plan for its consideration of the information provided by the Intergovernmental Panel on Climate Change in its Second Assessment Report and start considering the tasks assigned to it by the COP
- January/February 1996 to continue its work
- June/July 1996, prior to COP 2, to continue its work and adopt its recommendations to the SBI and/or the COP;

(b) Three sessions for the SBI in:

- September/October 1995 to start addressing the tasks assigned to it by the COP
- January/February 1996 to continue its work
- June/July 1996, immediately prior to COP 2 and following the SBSTA to adopt its recommendations to COP 2.

7. Further requests the secretariat of the Convention to support the substantive work of the subsidiary bodies, in particular by:

(a) Organizing their sessions;

(b) Liaising with competent scientific and technical international bodies and financial institutions, in order to ensure an adequate flow of information in both directions;

(c) Preparing the documentation needed for consideration by the subsidiary bodies or the COP; and

(d) Providing technical and analytical support for the review of information communicated by Annex I Parties.

Appendix I to Annex I to decision 10/2

Functions to be carried out by the Subsidiary Body for Scientific and Technological Advice under the guidance of the Conference of the Parties and drawing upon existing competent international bodies

Provide assessments of the state of scientific knowledge relating to climate change and its effects (Article 9.2(a)):

- Summarize and, where necessary, convert the latest international scientific, technical and other information provided by, inter alia, the Intergovernmental Panel on Climate Change (IPCC), into forms appropriate to the needs of the Conference of the Parties (COP), especially in support of the review of the adequacy of commitments;

- Compile and synthesize scientific and technical information on the global situation on climate change, provided by, inter alia, the IPCC, as well as on the latest developments in science, to the extent possible, and assess the implications thereof for the implementation of the Convention; and

- Formulate requests to competent international scientific and technical bodies.

Prepare scientific assessments on the effects of measures taken in the implementation of the Convention (Article 9.2(b)):

- Consider the scientific and technical aspects of the in-depth review reports, resulting from the process for the review of national[4/] communications;

- Consider the compilation and synthesis of national communications prepared by the secretariat;

- Make recommendations on the technical aspects related to the review of information contained in national communications.

Identify innovative, efficient and state-of-the art technologies and know-how and advise on the ways and means of promoting development and/or transferring such technologies (Article 9.2(c)):

- Ensure the collection and dissemination of information on appropriate technologies for limiting emissions from sources, enhancing sinks of greenhouse gases and adapting to

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4/ This term should be taken to include the regional economic integration organization included in Annex I to the Convention.

climate change, on related international initiatives, cooperation and programmes, and the services they offer;

- Provide advice on the latest, and future, technologies mentioned above, their effects, their relative feasibility in different circumstances and their relevance to programme priorities of the financial mechanism taking into account relevant advice to the COP from the Subsidiary Body for Implementation;

- Provide advice and ideas on promoting international initiatives, programmes and cooperation in the areas of technology development and transfer, as well as on sharing of experience between Parties; and

- Evaluate ongoing efforts in the area of development and/or transfer of technologies to determine whether they fully meet the needs of the Convention, and advise on possible improvements.

Provide advice on scientific programmes, international cooperation in research and development related to climate change, as well as on ways and means of supporting endogenous capacity-building in developing countries (Article 9.2(d)) and assist the Parties to implement Articles 5 and 6 of the Convention. In this context:

- Ensure the collection and dissemination of information on international initiatives, cooperation and programmes in the areas of scientific research and systematic observation, as well as on education, human resources and training, public awareness, capacity building, and the services they offer;

- Provide advice on education programmes;

- Provide advice on human resources and training;

- Provide advice and ideas on promoting the above initiatives, cooperation and programmes, as well as sharing of experience between Parties;

- Evaluate ongoing efforts in these fields to determine whether they fully meet the needs of the Convention and advise on possible improvements.

Respond to scientific, technological and methodological questions that the Conference of the Parties and its subsidiary bodies may put to the body (Article 9.2(e)):

- Seek, in particular from the IPCC, and provide advice on the development, improvement and refinement of comparable methodologies for:

    - National inventories of emissions and removals of greenhouse gases;

- Projecting national emissions and removals of greenhouse gases and comparison of respective contributions to climate change of different gases;

- Evaluating the individual and aggregated effects of measures undertaken pursuant to the provisions of the Convention;

- Conducting impact/sensitivity analyses;

- Assessing adaptation responses;

- Seek information and provide advice on methodological questions in support of the guidance to be provided by the COP to the financial mechanism, and guidelines in the application of the concept of "agreed full incremental cost";

- Provide information and advice on any methodology and technical aspects that would be needed in the development of protocols to the Convention;

- Provide guidance and advice to the Parties on the use of agreed methodologies;

- Provide guidance to the Parties on technical aspects of issues related to the implementation of the Convention, such as the allocation and control of emissions from bunker fuels or the use of global warming potentials.

Functions to be carried out by the Subsidiary Body for Implementation under the guidance of the Conference of the Parties

Consider the information communicated in accordance with Article 12, paragraph 1, to assess the overall aggregated effect of the steps taken by the Parties in the light of the latest scientific assessments concerning climate change (Article 10.2(a)):

- Consider the policy aspects of the in-depth review reports resulting from the process for the review of national communications, inter alia, on the basis of the scientific and technical analysis provided by the Subsidiary Body for Scientific and Technological Advice (SBSTA) and make recommendations to the COP regarding the implementation of the Convention.

Consider the information communicated in accordance with Article 12, paragraph 2, in order to assist the Conference of the Parties in carrying out the reviews required by Article 4, paragraph 2(d) (Article 10.2(b)):

- Consider how the overall aggregated effect of the steps taken by Parties relates to the commitments set out in Article 4.2(a) and (b), to the modification of longer-term trends

in anthropogenic emissions, to any further commitments that might be agreed upon by Parties in subsequent amendments or protocols to the Convention, as well as to the objective of the Convention.

Assist the Conference of the Parties, as appropriate, in the preparation and implementation of its decisions (Article 10.2(c)), taking into account advice from the SBSTA:

- Advise the COP on policies, eligibility criteria and programme priorities related to the financial mechanism, as well as on transfer of technology in the light of the reviews and assessments carried out under Article 10.2(a), taking into account relevant advice from the SBSTA, and if so requested by the COP:
  - Review the financial mechanism and advise on appropriate measures;
  - Consider reports from the operating entity or entities of the financial mechanism on activities related to climate change;
  - Make recommendations related to the arrangements for the operational linkages between the COP and the operating entity or entities;
- Provide advice on possible responses to the findings of the review of the adequacy of commitments and their implementation, including, if so requested by the COP, the conducting of negotiations on resolution(s), amendment(s) and protocol(s);
- Advise the COP on matters related to the consideration of information contained in national communications.

Appendix II to Annex I to decision 10/2

Tasks for the subsidiary bodies between the first and second sessions of the Conference of the Parties

1. Tasks for the Subsidiary Body for Scientific and Technological Advice

The Subsidiary Body for Scientific and Technological Advice (SBSTA) should:

(a) Consider the Second Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and make appropriate recommendations to the Subsidiary Body for Implementation (SBI) and/or the Conference of the Parties (COP);

(b) Undertake the tasks on methodological questions as specified in decision [COP 1/...] on methodological issues;

(c) Lay the ground work to perform its advisory functions relating to technology transfer and research and development, with initial emphasis on identifying, promoting access to and disseminating information on state-of-the-art technologies and know-how for limiting emissions of greenhouse gases and adapting to climate change, addressing the capacity-building needs for the effective use and dissemination of such technologies;

(d) Lay the ground work to perform its advisory functions relating to capacity building in developing country Parties, taking into account any advice from the SBI;

(e) Establish technical advisory panel(s) to provide it with advice on technologies, including on related economic aspects and on specific practices, if deemed necessary and approved by the COP;

(f) Oversee the in-depth review of the scientific and technical aspects and the preparation of the compilation and synthesis of the first national communications from Annex I Parties in accordance with decision [COP 1/..]; and make recommendations thereon to the COP and/or the SBI.

2. Tasks for the Subsidiary Body for Implementation

The Subsidiary Body for Implementation should:

(a) Oversee the in-depth review of the policy aspects of the first national communications from Annex I Parties on the basis of the scientific and technical analysis provided by the Subsidiary Body for Scientific and Technological Advice, in accordance with decision [COP 1/..]; and make recommendations thereon to the COP;

(b) Consider the report from the operating entity or entities of the financial mechanism, in accordance with decision [COP 1/..];

(c) Further elaborate policies, programme priorities and eligibility criteria for the financial mechanism and provide assistance to the COP, in accordance with decision [COP 1/..];

(d) Undertake the tasks on the follow-up to the adequacy of commitments, in accordance with decision [COP 1/..].

Decision 10/3. Temporary arrangements between the Committee and the Global Environment Facility

The Intergovernmental Negotiating Committee for a Framework Convention on Climate Change,

Recalling Article 11 of the United Nations Framework Convention on Climate Change which states that the financial mechanism shall function under the guidance of and be accountable to the Conference of the Parties, which shall decide on its policies, programme priorities and eligibility criteria related to the Convention as well as other relevant provisions of that article, in particular its paragraph 3,

Recalling also Article 21.3 of the Convention which entrusted the operation of the financial mechanism on an interim basis to the Global Environment Facility and called for the GEF to be appropriately restructured and its membership made universal to enable it to fulfil the requirements of Article 11,

Recalling further paragraph 6 of General Assembly resolution 47/195 of 22 December 1992 entitled "Protection of global climate for present and future generations of mankind" which decided that the Intergovernmental Negotiating Committee shall continue to function in order to prepare for the first session of the Conference of the Parties to the Convention, and, in that context to contribute to the effective operation of the interim arrangements set out in Article 21 of the Convention,

Taking note of paragraph 6 of the "Instrument for the Establishment of the Restructured Global Environment Facility" accepted by the Participants in the GEF at Geneva on 16 March 1994 and subsequently adopted by the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the International Bank for Reconstruction and Development (IBRD) which states that in partial fulfilment of its purposes, the GEF shall on an interim basis operate the financial mechanism for the implementation of the Convention,

Noting also paragraph 27 of the Instrument for the Establishment of the Restructured Global Environment Facility which states that with regard to each Convention referred to in paragraph 6 (the Climate Change Convention included), until the first session of the Conference of the Parties (COP 1), the Council shall consult the Convention's interim body,

1. Invites the Global Environment Facility, as the international entity entrusted with the operation of the financial mechanism referred to in Article 11 of the Convention on an interim basis, to take note of the conclusions reached by the Committee at its tenth session on guidance to the operating entity and to ensure that activities approved by the GEF Council, within the framework of the financial mechanism of the Convention, between now and the first session of the Conference of the Parties are in conformity with those conclusions:

(a) With respect to activities undertaken under Article 11, the Committee concluded that:

Within the framework of the financial mechanism:

(i) The operating entity or entities should, in all funding decisions related to the financial mechanism, take into account Article 4.1, 4.7, 4.8, 4.9 and 4.10 of the Convention. In particular, in order to take full account of the specific needs and special situations of the least developed countries, funds allocated to their projects/programmes should be on a grant basis;

(ii) Projects funded through the financial mechanism should be country-driven and in conformity with, and supportive of, national development priorities of each country;

(iii) The operating entity or entities should ensure that, with reference to activities involving transfer of technology, such technology is environmentally sound and adapted to suit local conditions;

(iv) As far as possible, due consideration should be given to the following aspects concerning activities undertaken under the financial mechanism. Activities should be:

- supportive of the national development priorities which contribute to a comprehensive national response to climate change

- consistent with and supportive of the relevant provisions of internationally agreed programmes of actions for sustainable development in line with the Rio Declaration and Agenda 21 and United Nations Conference on Environment and Development (UNCED) -related agreements

- sustainable and lead to wider application

- cost-effective

(v) The operating entity or entities of the financial mechanism should strive to leverage other funds in support of the activities of the developing country Parties to address climate change.

(b) Regarding programme priorities, the Committee concluded that:

(i) Priority should be given to the funding of agreed full costs (or agreed full incremental costs, as appropriate) incurred by developing country Parties

in complying with their obligations under Article 12.1 and other relevant commitments under the Convention. In the initial period, emphasis should be placed on enabling activities undertaken by developing country Parties, such as planning, endogenous capacity building including institutional strengthening, training, research and education, that will facilitate implementation, in accordance with the Convention, of effective response measures.

(c) With regard to eligibility criteria for countries, the Committee concluded that:

(i) Eligibility criteria will apply to countries and to activities and will be applied in accordance with Article 11.1, 11.2 and 11.3;

(ii) Regarding eligibility of countries, only countries that are Parties to the Convention would be eligible to receive funding upon entry into force of the Convention. In this context, only developing country Parties would be eligible to receive funding through the financial mechanism, in accordance with Article 4.3.

(d) Concerning eligibility criteria for activities, the Committee concluded that:

(i) Those activities related to obligations under Article 12.1 to communicate information for which the "agreed full costs" are to be met are eligible for funding;

(ii) Measures covered by Article 4.1 are eligible for funding through the financial mechanism in accordance with Article 4.3. Such measures should be agreed between the developing country Party and the international entity or entities referred to in Article 11.1, in accordance with Article 4.3;

(iii) In addition to the above, such measures would be eligible for financial support under Article 11.5.

(e) Regarding adaptation, the Committee agreed on the following:

(i) Adaptation to the adverse effects of climate change, as defined by the Convention, will require short, medium and long term strategies which should be cost effective, take into account important socio-economic implications, and which should be implemented on a stage-by-stage basis in developing countries that are Party to the Convention. In the short term, the following stage is envisaged:

- Stage I: Planning, which includes studies of possible impacts of climate change to identify particularly vulnerable countries or regions and policy options for adaptation, and appropriate capacity building.

(ii) In the medium and long term, the following stages are envisaged for the particularly vulnerable countries or regions identified in Stage I:

- Stage II: Measures, including further capacity building, which may be taken to prepare for adaptation, as envisaged by Article 4.1(e).

- Stage III: Measures to facilitate adequate adaptation, including insurance, and other adaptation measures as envisaged by Article 4.1(b) and 4.4.

(iii) Based on the outputs of the Stage I studies, as well as other relevant scientific and technical studies, such as those of the Intergovernmental Panel on Climate Change, and any emerging evidence of the adverse effects of climate change, the COP may decide that it has become necessary to implement the measures and activities envisaged in Stages II and III, consistent with the conclusions of the Committee and the Convention.

(iv) Funding for the implementation of such adaptation measures and activities would be provided as follows:

- For Stage I, the COP at its first session, shall entrust to the Global Environment Facility, the interim operating entity of the financial mechanism, the task of meeting the agreed full costs of the activities required by Article 12.1 of the Convention. This would include meeting the agreed full costs of relevant adaptation activities undertaken in the context of the formulation of national communications; such activities may include studies of the possible impacts of climate change, identification of options for implementing the adaptation provisions (especially the obligations contained in Article 4.1(b) and 4.1(e)) of the Convention, and relevant capacity building.

- If it is decided in accordance with paragraph (iii) above, that it has become necessary to implement the measures envisaged in Stages II and III, the Annex II Parties will provide funding to implement the adaptation measures envisaged in these stages in accordance with their commitments contained in Article 4.3 and 4.4 of the Convention.

- In its review of the financial mechanism of the Convention, under Article 11.4, the COP, taking into account studies conducted and options for adaptation identified during Stage I, any emerging evidence of the adverse effects of climate change, as well as the conclusions reached by the Committee and its own decisions on this issue, must decide on the channel/channels, under Article 11 of the Convention, to be used for the funding referred to in the preceding sub-paragraph, to implement the adaptation measures envisaged in Stages II and III.

(f) On agreed full incremental costs, the Committee concluded that the various issues of incremental costs were complex and difficult and that further discussion on the subject was therefore needed. It also concluded that the application of the concept of agreed full incremental costs should be flexible, pragmatic and on a case-by-case basis. Guidelines in this regard would be developed by the COP at a later stage on the basis of experience.

2. Also invites the GEF to take note of the following conclusions reached by the Committee with respect to the modalities for the functioning of operational linkages between the COP and the operating entity of the financial mechanism:

(a) The COP, the supreme body of the Convention, and the entity or entities entrusted with the operation of the financial mechanism, shall agree upon arrangements to give effect to the provisions of paragraphs 1 and 2 of Article 11 through the operational linkages which are discussed below;

(b) In line with Article 11.1 of the Convention, the COP will, after each of its sessions, communicate to the governing body of the operating entity relevant policy guidance for implementation and action by that governing body, which shall accordingly ensure the conformity of the entity's work with the guidance of the COP. Guidance from the COP will address issues relating to policies, programme priorities and eligibility criteria, as well as possible relevant aspects of the activities of the operating entity that are related to the Convention;

(c) The governing body of the operating entity has the responsibility of ensuring that funded projects related to the Convention are in conformity with the policies, eligibility criteria and programme priorities established by the COP. It will report regularly to the COP on its activities related to the Convention and the conformity of those activities with the guidance received from the COP;

(d) Regular reports by the Chairman or secretariat of the operating entity to its governing body will be made available to the COP through its secretariat. Other official documentation of the operating entity should also be made available to the COP through its secretariat;

(e) In addition, the COP should receive and review at each of its sessions a report from the governing body of the operating entity which should include specific information on how it has applied the guidance and decisions of the COP in its work related to the Convention. This report should be of a substantive nature and incorporate the programme of future activities of this entity in the areas covered by the Convention and an analysis on how the entity, in its operations, implemented the policies, eligibility criteria and programme priorities related to the Convention established by the COP. In particular, a synthesis of the different projects under implementation and a listing of the projects approved in the areas covered by the Convention, as well as a financial report including accounting and evaluation of its activities in the implementation of the Convention, indicating the availability of resources, should be included;

(f) In order to meet the requirements of its accountability to the COP, reports submitted by the governing body of the operating entity should cover all its activities carried out in implementing the Convention, whether decisions on such activities are made by the governing body of the operating entity or by bodies operating under its auspices for the implementation of its programme. To this end, it shall make such arrangements with such bodies as might be necessary regarding the disclosure of information;

(g) The funding decisions for specific projects should be agreed between the developing country Party concerned and the operating entity in conformity with policy guidance from the COP. However, if any Party considers that a decision regarding one of the specific projects does not comply with the policies, eligibility criteria and programme priorities established by the COP in the context of the Convention, the COP should analyse the observations presented and take decisions on the basis of compliance with such policies, eligibility criteria and programme priorities. In the event that the COP considers that this specific project decision does not comply with the policies, eligibility criteria and programme priorities established by the COP, it may ask the governing body of the operating entity for further clarification on this specific project decision and in due time ask for a reconsideration of that decision;

(h) The COP will periodically review and evaluate the effectiveness of all modalities established in accordance with Article 11.3. Such evaluations will be taken into account by the COP in its decision, pursuant to Article 11.4, on the arrangements for the financial mechanism.

3. Invites further the GEF to take note of the following conclusion of the Committee with respect to activities undertaken outside the framework of the financial mechanism:

(a) Consistency should be sought and maintained between activities (including those related to funding) relevant to climate change undertaken outside the framework of the financial mechanism and the policies, programme priorities and eligibility criteria for activities as relevant, established by the COP.

4. Invites the GEF to provide to the Committee at its eleventh session a report containing information that could assist the COP to review the interim arrangements referred to in Article 21.3 in accordance with Article 11 of the Convention, for consideration by COP at its first session. A report containing information on the development of an operational strategy in the climate change area and on the initial activities in this field should also be provided for consideration by the COP at its first session taking into account paragraph 2 (e) and (f) above.

5. Requests the Executive Secretary to provide appropriate inputs to the Chief Executive Officer/Chairperson of the GEF, with a view to ensuring that the provisions of the Convention and the conclusions reached by the Committee are fully reflected in those parts of the operational strategy of the GEF that relate to climate change.

Annex II

LIST OF DOCUMENTS BEFORE THE COMMITTEE AT ITS TENTH SESSION

A/AC.237/48 and Add.1	The report on implementation
A/AC.237/56	Provisional agenda and annotations, including suggestions for the organization of work. Note by the Executive Secretary
A/AC.237/57	Arrangements for the eleventh session of the Committee
A/AC.237/58	Rules of procedure of the Conference of the Parties and of the subsidiary bodies established by the Convention
A/AC.237/59	Consideration of the establishment of a multilateral consultative process for the resolution of questions regarding implementation (Article 13)
A/AC.237/60 and Add.1	Designation of a permanent secretariat and arrangements for its functioning. Report by the Executive Secretary
A/AC.237/61	Review of the activities of the interim secretariat, including review of extrabudgetary funds. Note by the Executive Secretary
A/AC.237/62	Arrangements for the first session of the Conference of the Parties, including agenda and organization of work
A/AC.237/63 and Add.1	The process for the first review of communications from Annex I Parties
A/AC.237/64	The roles of the subsidiary bodies established by the Convention
A/AC.237/65	Review of the adequacy of commitments in Article 4.2(a) and (b)
A/AC.237/66	Joint implementation: objectives, criteria and arrangements for a pilot phase

A/AC.237/67 and Add.1	Implementation of Article 11 (Financial mechanism), paras. 1-4. Issues to be addressed by the Committee: a preliminary overview
A/AC.237/68	Synthesis report on adaptation
A/AC.237/69	Report on near-term priorities and needs of developing countries
A/AC.237/70	Summary of the "Guidelines for the preparation of first communications by Annex I Parties" (annex to Committee decision 9/2)
A/AC.237/71	Report on seeking and maintaining consistency between activities undertaken outside the framework of the financial mechanism and guidance from the Conference of the Parties.
A/AC.237/72	Report on a permanent and feasible monitoring system and on the activities of regional and multilateral financial and other institutions relevant to climate change
A/AC.237/73	Report on agreed full incremental costs
A/AC.237/74	Modalities for the functioning of operational linkages between the Conference of the Parties and the operating entity or entities of the financial mechanism: legal opinion of the United Nations Office of Legal Affairs
A/AC.237/75	Climate Convention Cooperation Programme
A/AC.237/Misc.24/Add.2	Information on documentation databases
A/AC.237/Misc.36	Comments from Parties or other member States on the first review of information communicated by each Party included in Annex I to the Convention and on the review of the adequacy of commitments in Article 4.2(a) and (b)
A/AC.237/Misc.36/Add.1	Comments from Parties or other member States on the review of the adequacy of commitments in Article 4.2(a) and (b)
A/AC.237/Misc.37 and Add.1	Comments from Parties or other member States on criteria for joint implementation

A/AC.237/Misc.38 and Add.1	Miscellaneous proposals by Governments on issues related to the financial mechanism
A/AC.237/INF.12/Rev.1	Communications received in accordance with General Assembly resolution 47/195, paragraph 4
A/AC.237/INF.15/Rev.1	Status of ratification of the United Nations Framework Convention on Climate Change
A/AC.237/INF.16 and Rev.1	Status of submissions of first communications from Annex I Parties
A/AC.237/L.21 and Add.1 and 2	Draft report of the Committee on its tenth session
A/AC.237/L.22	Rules of Procedure of the Conference of the Parties. Note by the Vice-Chairman on the informal consultations on the draft Rules of Procedures
A/AC.237/WG.I/L.20	First review of information communicated by each Party included in Annex I to the Convention. Draft decision submitted by the Co-Chairmen of Working Group I
A/AC.237/WG.I/L.21	The roles of the subsidiary bodies established by the Convention. Draft decision submitted by the Co-Chairmen of Working Group I
A/AC.237/WG.I/L.22	The report on implementation. Draft recommendation by the Co-Chairmen of Working Group 1
A/AC.237/WG.I/L.23	Review of the adequacy of commitments in Article 4, para. 2 (a) and (b). Draft conclusions by the Co-Chairmen of Working Group I
A/AC.237/WG.I/L24	Criteria for joint implementation. Draft conclusions submitted by the Co-Chairmen of Working Group 1
A/AC.237/WG.II/L.8	Rules of procedure of the Conference of the Parties. Note by the Co-ordinator of the "informal ad hoc and open-ended group of delegations constituting the 'friends of the co-chairs of Working Group II'".